



MARKET REPORT

March 2024



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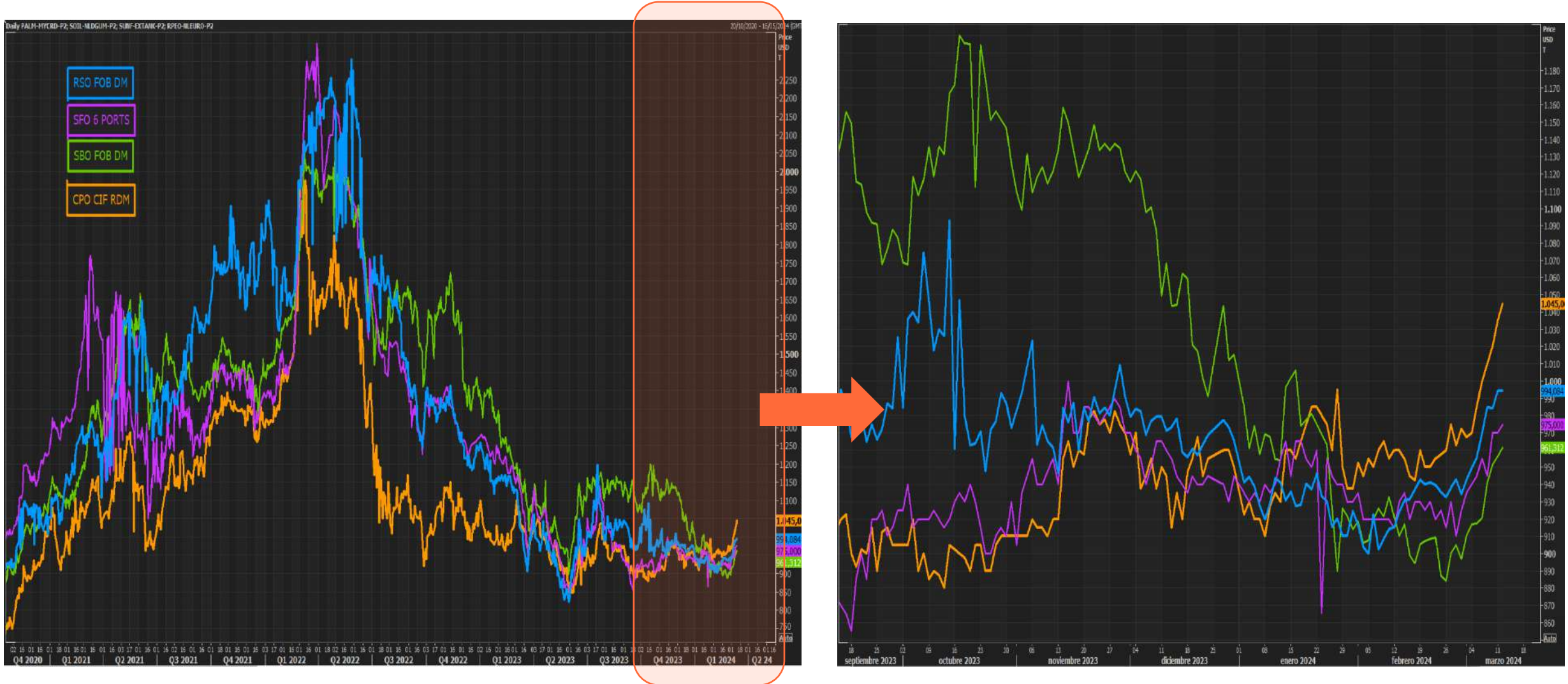
1.1. EUROPEAN VEGETABLE OIL PRICES

		9/2/2024	13/3/2024	Unidad	Dif	Dif %
Crude Palm Oil (3rd Pos)	FOB MALAYSIA	3884	4245	MYR/ MT	361	9.3%
Soya Oil (2nd Pos)	CBOT	47.75	48.57	USD/ MT	0.82	1.7%
Crude Palm Oil (Mar)	CIF RDM	955	1105	USD/ MT	150	15.7%
CCNO Phil/Indo (Mar/Apr)	CIF RDM	1160	1285	USD/ MT	125	10.8%
CPKO (Mar/Apr)	CIF RDM	993	1160	USD/ MT	167	16.8%
Crude Sunflower Oil (AMJ)	6 PORTS	915	960	USD/ MT	45	4.9%
Crude Rape Oil (MJJ)	FOB DUTCH MILL	848	900	€/MT	52	6.1%
Crude Soya Oil (MJJ)	FOB DUTCH MILL	865	880	€/MT	15	1.7%
EUR/USD						
	SPOT	1.0782	1.0950		0.017	1.6%
Brent Crude						
	SPOT	82.19	85.42	US \$/ BRL	3.23	3.9%
Gas Oils						
	SPOT	918.25	830.45	US \$/ MT	-87.80	-9.6%

Vegetable oil prices have appreciated this month, while CPO situation gets tighter with lower stocks mainly in Indonesia, Malaysia and India. The downward pressure from SFO have started to faint as a slow down in crushing is expected until Sept-24.

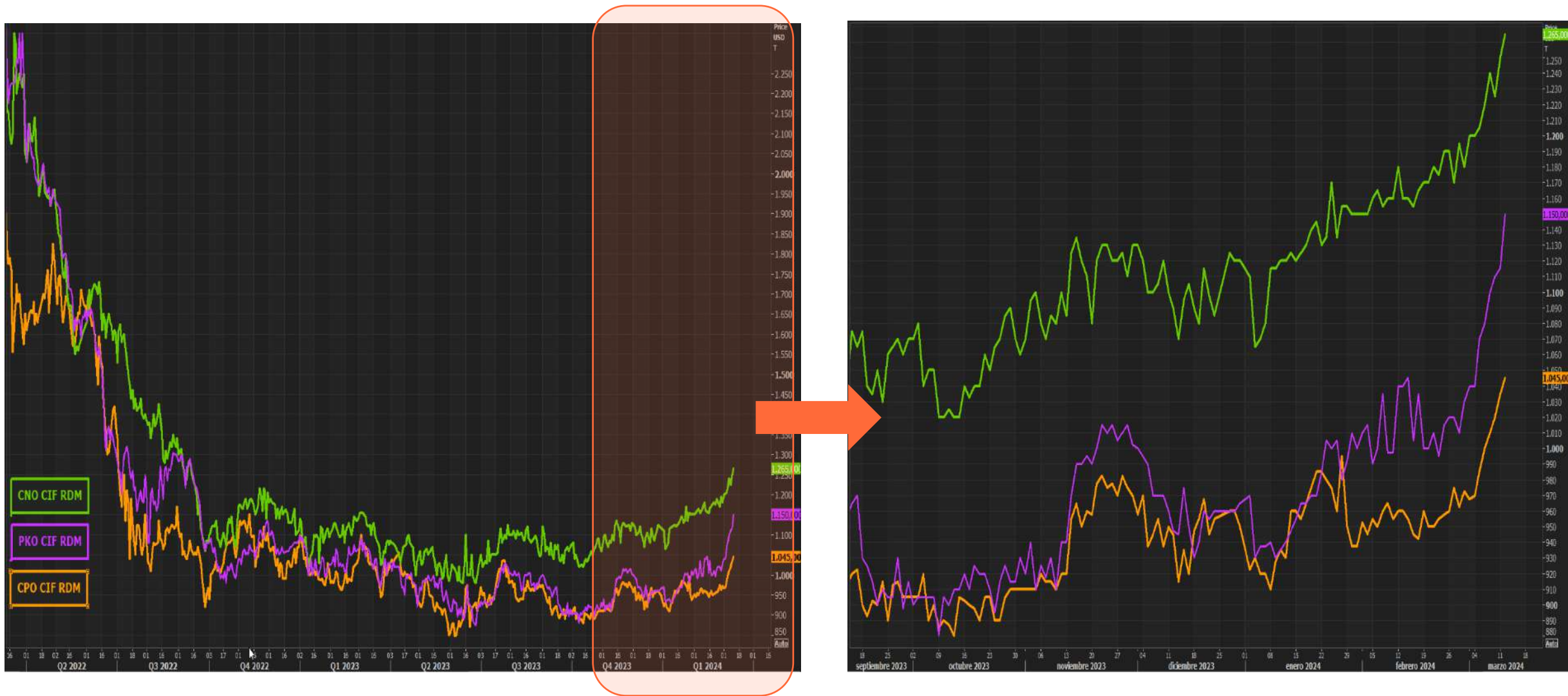
Moreover, SBO prices have appreciated after having touched a lower level in several months, indeed farmer selling is slowing down while USA demand accelerates.

1.2. EUROPEAN VEGETABLE OIL PRICES



SOURCES: REUTERS

1.3. EUROPEAN VEGETABLE OIL PRICES



SOURCES: REUTERS

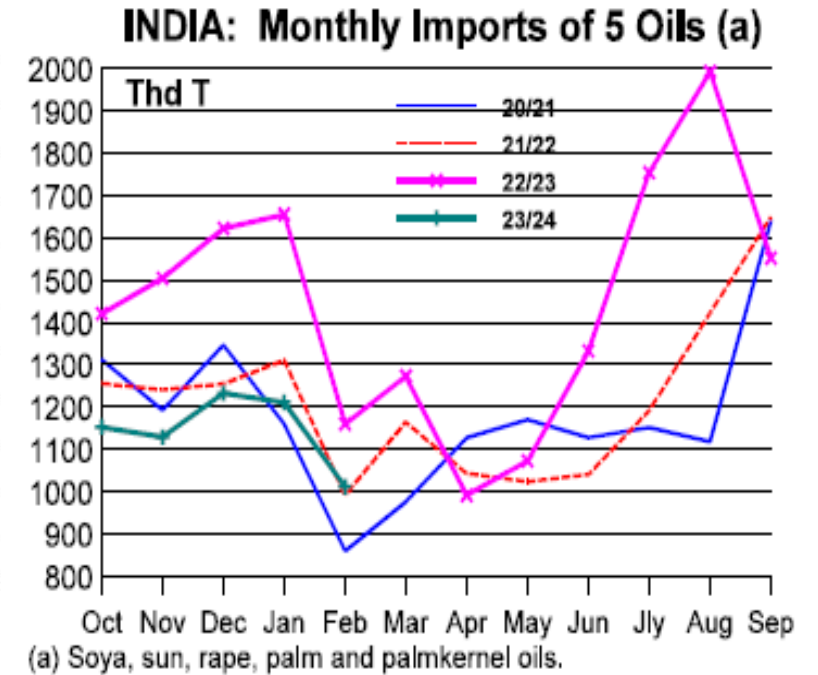
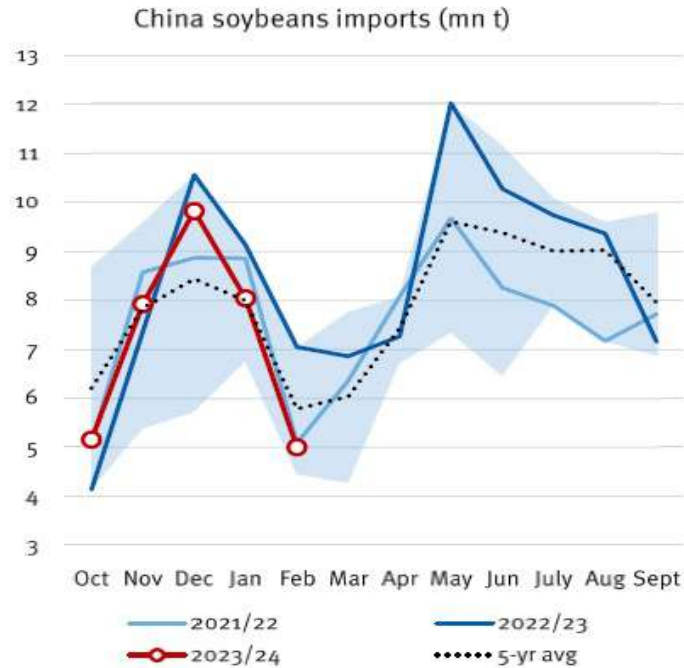
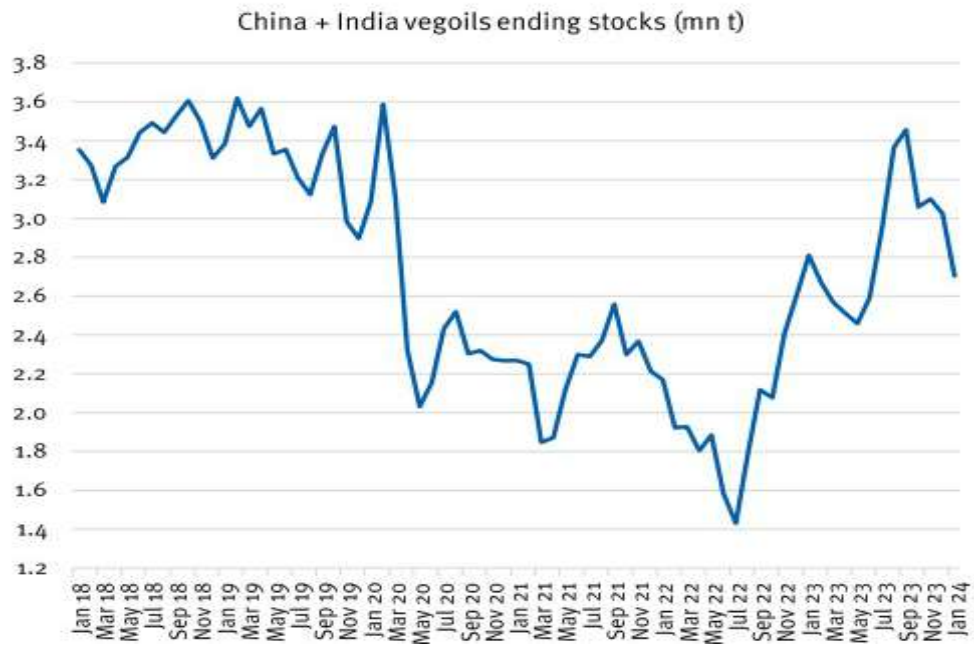
2.1. VEGETABLE OILS: A tighter balance in Q2 2024?

8 VEGETABLE OILS: World Balance (Mn T)					
	October / September				
	23/24F	22/23	21/22	20/21	19/20
Op'g stocks	32.50	29.79	27.46	27.65	29.22
Production	217.53*	213.68	204.39	201.47	200.08
<i>Change</i>	<i>+1.8%</i>	<i>+4.5%</i>	<i>+1.4%</i>	<i>+0.7%</i>	<i>-0.3%</i>
Imports	90.55*	92.21	82.77	88.56	89.14
Exports	90.66*	92.60	83.55	88.53	89.53
Consumption	218.15*	210.57*	201.29	201.68	201.27
<i>Change</i>	<i>+3.6%</i>	<i>+4.6%</i>	<i>-0.2%</i>	<i>+0.2%</i>	<i>+0.8%</i>
End'g stocks	31.76*	32.50	29.79	27.46	27.65
<i>Stocks/use ratio</i>	<i>14.6%</i>	<i>15.4%</i>	<i>14.8%</i>	<i>13.6%</i>	<i>13.7%</i>

- **Stocks of Vegetable oils will decrease in 2024**, with April May and June expected to be the tightest months for palm oil.
- **Slowdown** in the increase of **production**, particularly for palm, which is expected to remain virtually unchanged. Bigger dependency of SBO.
- **Demand** is projected to **rise for both food & biofuels**. Some uncertainties, particularly regarding the Chinese economy.
- **Growth in sun and rapeseed crushing will decelerate.** Slowdown in Farmer selling in several countries due to falling prices.
- Following ample global vegetable oil supplies ample from Jul/ Dec23, **a prospective production deficit from Jan/Sept 2024 is likely to drive up vegetable oil prices.**

SOURCES: ARGUS/GODRIJ/OIL WORLD/POA/REUTERS

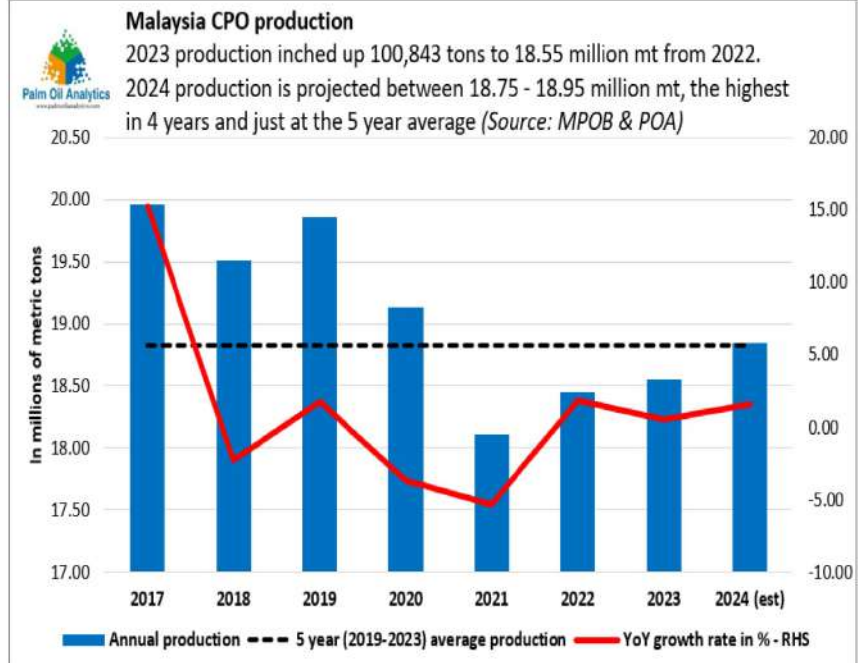
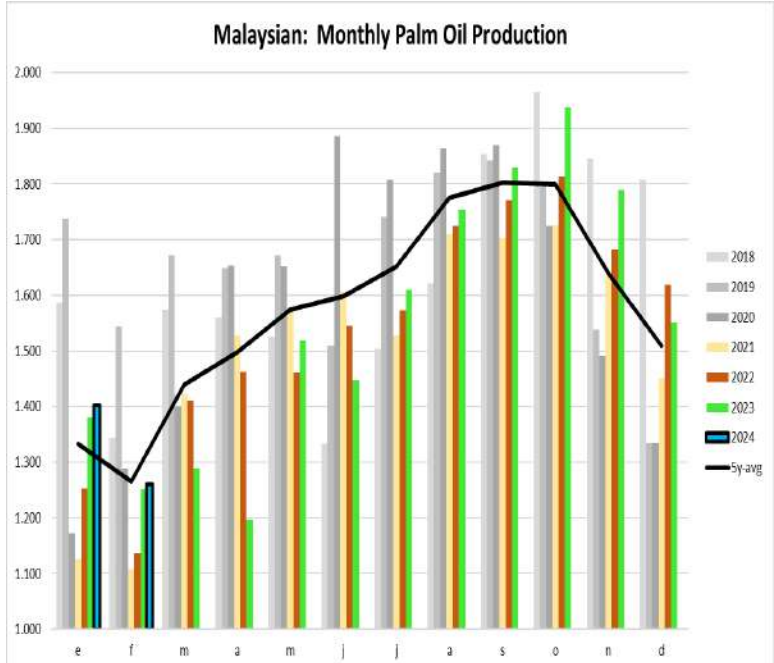
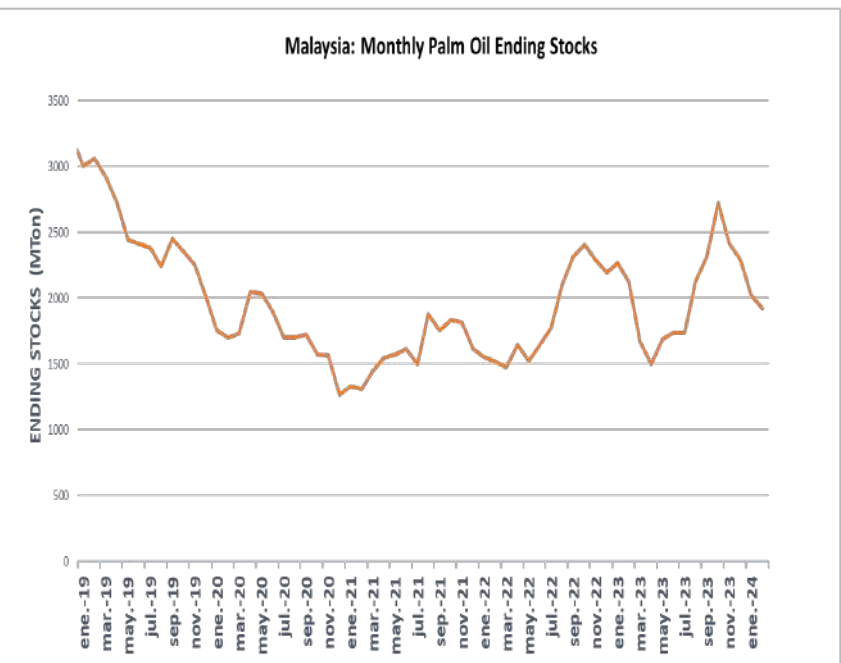
2.2. VEGETABLE OILS: Vegetable oils stocks in Asia are tightening



Indian consumption and demand look healthy. Diminishing imports to lead a decline of Indian vegetable oil stocks. Large carry-over stocks from 2023 and good local production will hurt imports in 2024.

China is not perceived as a source of any bullish input: there are concerns regarding the economic situation.

3.1. PALM OIL (CPO): Malaysian stocks continue to drop

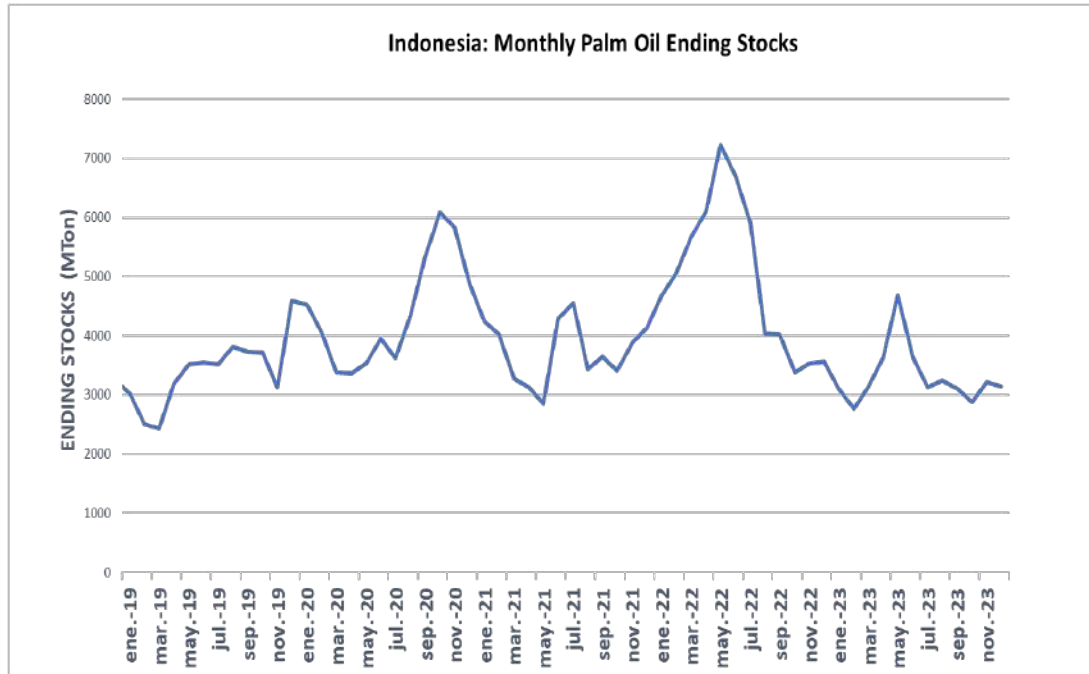


Malaysian CPO ending stocks at the end of Feb-24 fell to **below 2 Mnt for the first time in 7 months**. Production during Feb-24, typically the month with lower production, **was 10% lower than Jan-24**.

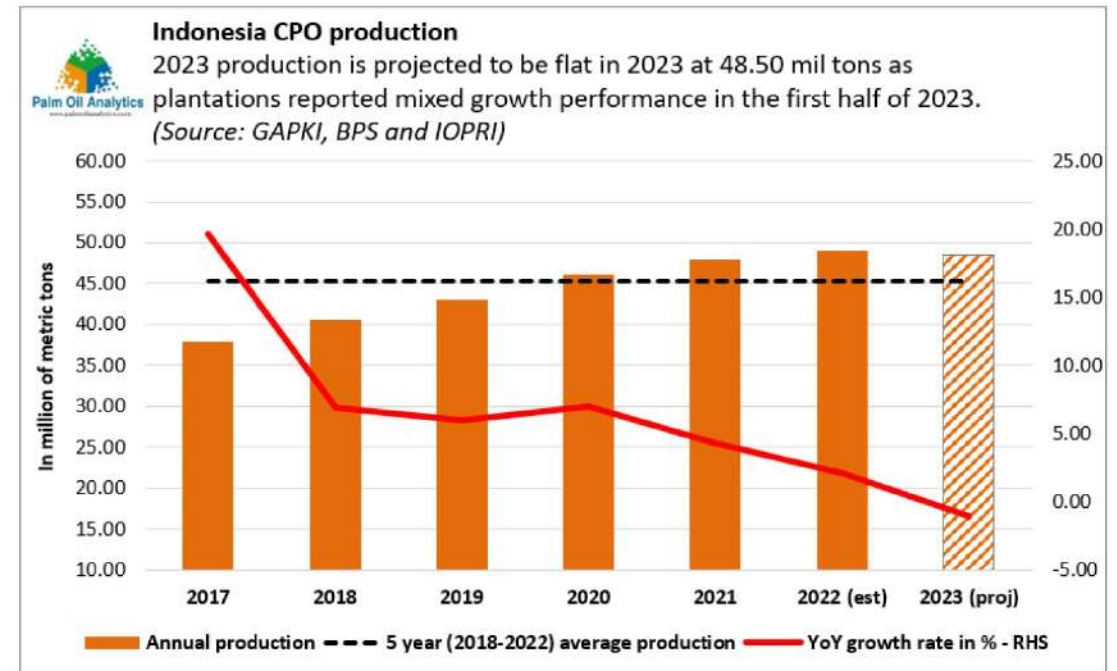
The main analysts estimate that Malaysian production for 2024 unchanged/+1.5% vs. 2023.

SOURCE: MPOB/GODREJ/OIL WORLD/POA

3.2. PALM OIL (CPO): Indonesian production will not increase in 2024



Indonesian stocks remain low: **at the end of December, they were slightly above 3 Mnt.**



The main analysts estimate Indonesian production for 2024 **to be in the range -1 Mnt to unchanged vs. 2023.**

SOURCES: BPS/GAPKI/IOPRI/OIL WORLD/POA

3.3 PALM OIL (CPO): Prices continue with a premium... until when?



The current premiums of CPO over SFO, RSO and SBO prices **are likely to disappear in the medium term**. April, May and June will be the tightest months for palm oil.

The price pressure from large SFO supplies is expected to weaken.



The European market is particularly affected by the low production in some parts of Latin America, as well as the situations in the Panama and Suez Canals.

RSPO SG premiums under pressure.

SOURCES: GODREJ/OIL WORLD/POA/REUTERS

3.4 PALM OIL (CPO): POC Price Outlooks

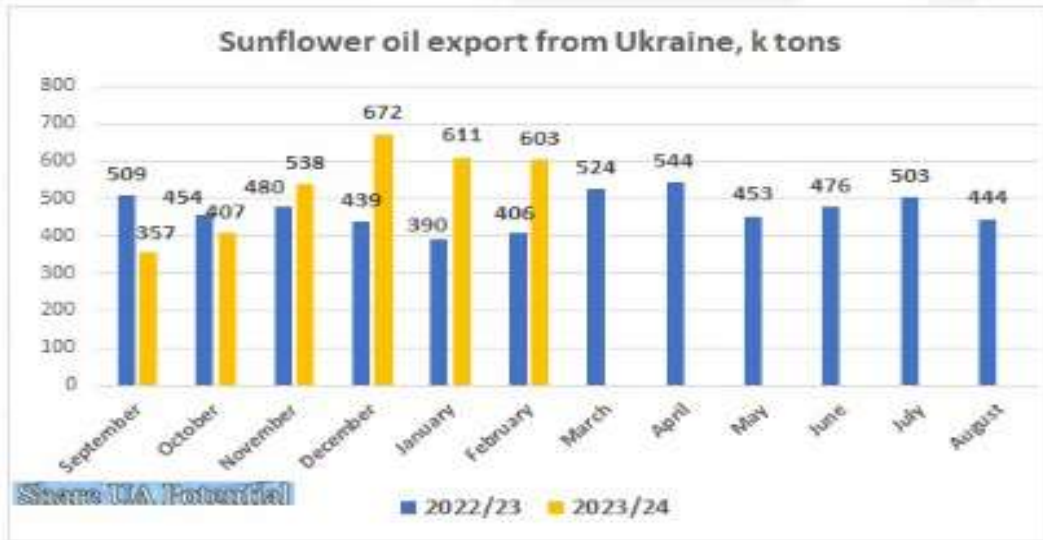


Analyst	Range (MYR)	Period
Thomas Mielke, OIL WORLD	3800 / 4300	Q2 - 2024
Dorab Mistry, GODREJ	3900 / 4500	Until Jun-24
Sathia Varqa, FASTMARKETS POA	Below 4000	From Q2 - 24 onwards
Ivy Ng, CIMB	3900	Average 2024
Mohamad Fadhil Hasan, GAPKI	4230 / 4700 (USD 900 / 1000)	Average 2024

In conclusion, **most of the speakers at the POC were bullish for the short term due to potential stagnation in production and low stocks in Asia.**

SOURCES: ARGUS/GAPKI/GODREJ/OIL WORLD/POA/REUTERS

4.1 SUNFLOWER OIL (SFO): Black Sea supply pressures the prices



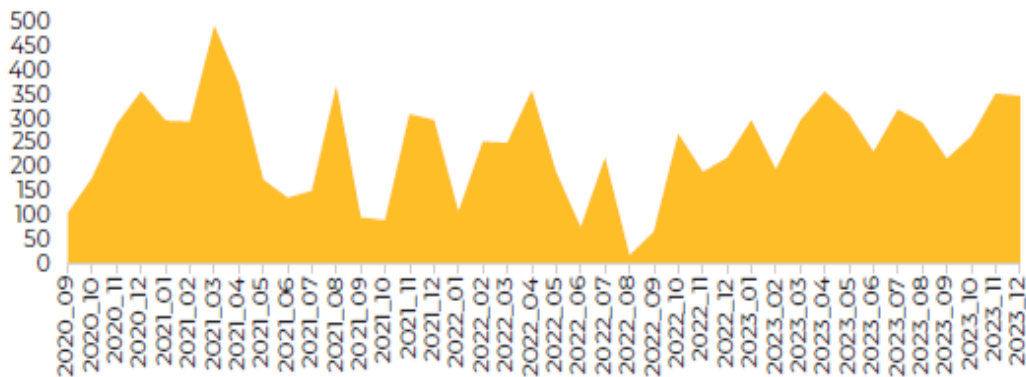
SFO is currently the most attractively priced vegetable oil, mainly due to large export supplies from the Black Sea region, offered at significant discounts over CPO and SBO.

Oil World has increased its estimate of **Russian exports to 4.9 MnT** for Oct/Sept 2023/24, compared to 4.3 MnT last season and 3.2 MnT **two years earlier**.

Ukrainian exports exceeded 600 kt each month during Dec/Feb 2023/24. Cumulative shipments increased by 0.5 MnT (+17%) reaching 3.15 MnT in Sept/Feb, contributing to price pressure on the global vegetable oil market.

However, according to Oil World and other private analysts, **most of the expected increase in crushing have already been disposed of in the first half of this season.**

Export of sunflower oil from Russia, thsd tonnes*

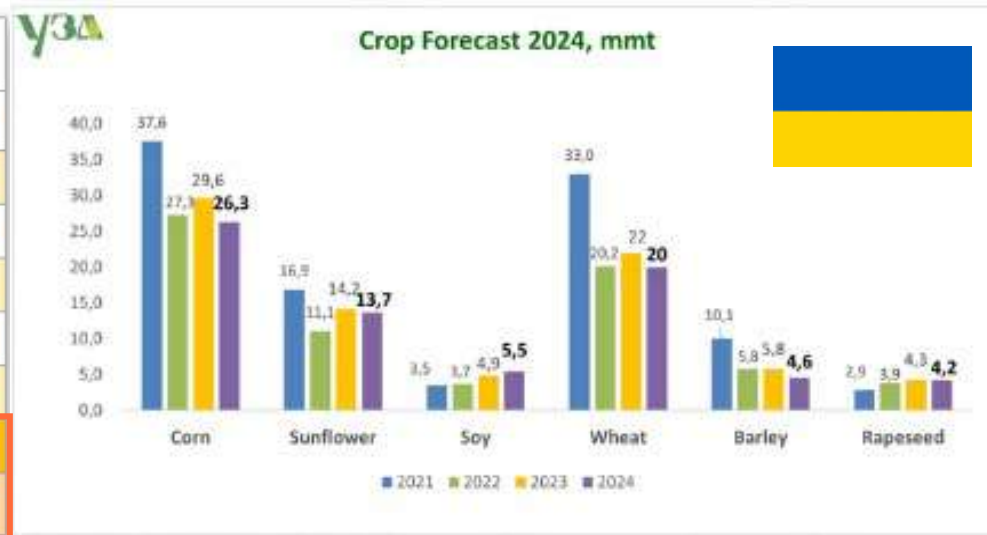


Feb 2022 - Jan 2023 do not include data for the Customs Union countries

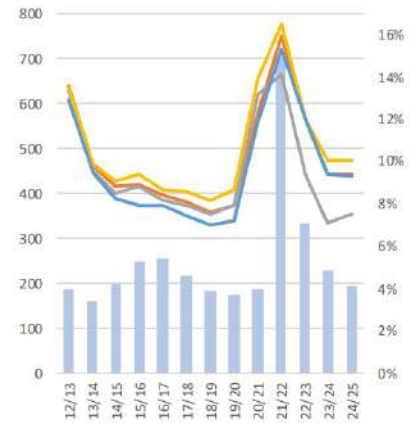
4.2 SUNFLOWER OIL (SFO): A tighter balance is expected in 2024/25



Sunseed (Mt)	2023/24		2024/25	
	02/02/24	01/03/24	02/02/24	01/03/24
August-July				
carry-in	6.1	5.9	58.6	4.4
production	56.4	55.6	0,0	57.3
trade	2.7	2.8	2.9	2.8
crush	52.4	52.2	53.4	52.7
other cons.	5.4	4.8	5.4	4.9
carry-out	4.7	4.4	4.5	4.1
stock/use ratio	8.2%	7.7%	7.7%	7.1%



2.2. STOCKS-TO-USES RATIO FOR SUNSEED AND WORLD PRICE (\$/T)



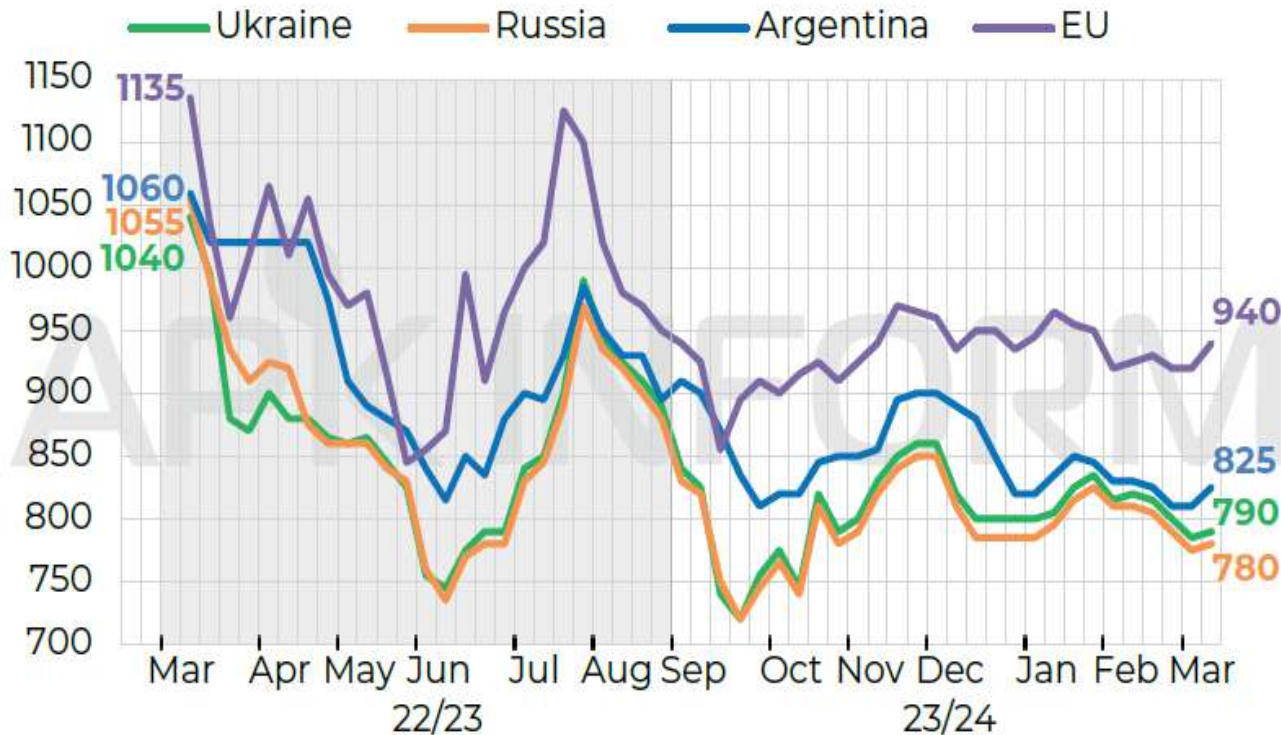
It's time to start thinking about 2024/25:

- **EU:** the production forecast by Strategie Grains was virtually unchanged at 10.7 MnT, up 9% from 2023. The Current forecasts show more-than-normal precipitation during Mar/Apr/May in Spain, France and Germany, with higher-than-normal temperatures in the first 2 months. In the Black Sea region, the forecasts are mixed, however it is too early to sound alarms.
- **UKRAINE:** Local observers consider that the planting area for sunflower seed are set to decrease this year due to their lack of profitability and crop rotation.
- **RUSSIA:** the reduction in the beginning stock will reduce the total supply.
- **The world balance of sunflower seed (and SFO) will be tighter in 2024/25.**

SOURCES: APK INFORM/ARGUS/ETG/OIL WORLD/STRATEGIE GRAINS/UGA

4.3 SUNFLOWER OIL (SFO): The pressure on prices is expected to weaken

Price dynamics of sunflower oil (offer, FOB), USD/t



The abundant supply of SFO on the global market due to the growth of sunflower seed crushing in the current season in the key players (Ukraine, Russia, EU, Argentina), together with the **active pace of harvesting in Argentina and the maintenance of zero duties on exports in Russia for March, will continue to put pressure on prices in the short term.**

However, **increasing demand from India** for Ukrainian oil, due to good competitiveness relative to other vegetable oils, **may support prices in the short term.**

Additionally, most of the increase in this season's global sunflower seed supplies has already been utilized in the first half of this season. This **will curb sunflower seed crushing as well as the growth in export supplies of SFO in April/Sept 2024.**

According to Oil World, the **price pressure from large SFO supplies is expected to weaken.** SFO is likely to build price premiums over CPO and SBO, and **there is an upward potential of prices from current levels in the deferred positions.**

SOURCES: APK INFORM/ARGUS/OIL WORLD/STRATEGIE GRAINS

5.1 SOYBEAN OIL (SBO): south American crop is arriving

South America soybean production (mn t)

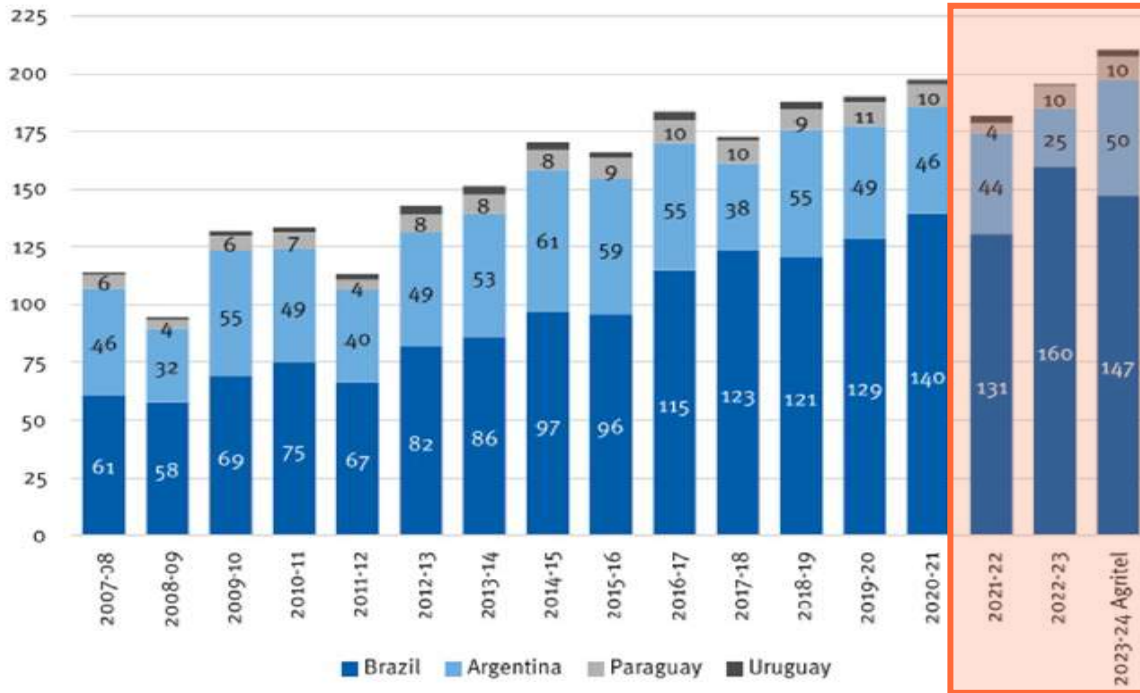


Table 1. Wheat, Corn, and Soybean Planted Acreage, 2017-2024

	2017	2018	2019	2020	2021	2021	2023	2024 1/
	- Million Acres -							
Wheat	46.1	47.8	45.5	44.5	46.7	45.8	49.6	47.0
Corn	90.2	88.8	80.4	90.4	92.9	88.2	94.6	91.0
Soybeans	90.2	89.2	76.1	83.4	87.2	87.5	83.6	87.5
Total	226.4	225.8	211.0	218.2	226.8	221.4	227.8	225.5

1/ Projection

Source: National Agricultural Statistics Service data 2017-2023

Note: Totals may not add due to rounding.

CONAB has reduced its estimate for Brazilian production to 146.9 Mnt vs. 149.4 Mnt last month. The USDA estimates 155 Mnt and Oil World 148 Mnt. Harvest is 55% completed.

Soybean crop in **Argentina** have slightly improved: 82% of crops rated as "Normal/Excellent". Estimated production range **49.0/52.5 Mnt**.

The market will begin to switch its **focus to North American weather**. While some areas are experiencing lower than optimal soil moisture, it is still too early to draw conclusions. **Expansion of soybean acreage is anticipated.**

5.2 SOYBEAN OIL (SBO): slow farmer selling & discount vs. palm

SBO stocks in US have been increasing. Lower-than-expected exports, mainly to China, improved the availability of soybean for crushing. However, the **US will continue to strongly depend on SBO and remain a net importer of SBO.**

The South American crop is arriving in the market. However, the farmer selling is slow: Safras & Mercado pegged Brazilian soybean farmer sales 2023/24 at 37%, behind the 50% 5YA. In Argentina, as of the end of Feb, farmer have sold 14.8% of the estimated production, vs 18.6% last year.

World supplies of soybeans are currently ample and are likely to remain ample also in 2024/25, However, **soybeans has a relatively low oil content of 18-19%.**

SBO has a good relative price vs palm, and we expect the price pressure from SFO to relax. Oil World expects the price premiums of palm oil to narrow in coming months, mainly **through an appreciation of SBO.**



SOURCES: ARGUS /BCBA/ K BRAUM/OILWORLD/REUTERS/SAFRAS & MERCADO

6.1 RAPESEED OIL (RSO): Potential decline in rapeseed production

1.17. RAPESEED PRODUCTION IN MAIN COUNTRIES IN 2024

	Area (Mha)			Yield (t/ha)			Production (Mt)		
	2023/24	2024/25	Δ/ prev. report	2023/24	2024/25	Δ/ prev. report	2023/24	2024/25	Δ/ prev. report
Canada	8.86	8.68	0.00	2.15	2.29	0.00	19.00	19.87	0.00
China	7.40	7.51	0.00	2.07	2.11	0.00	15.31	15.85	0.00
EU 27	6.19	5.61	-0.01	3.21	3.27	0.00	19.89	18.34	-0.06
Unit. King.	0.39	0.32	0.00	3.11	3.32	-0.10	1.22	1.07	-0.03
India	10.04	10.19	-0.01	1.14	1.13	0.00	11.45	11.50	-0.01
Australia	3.56	3.27	0.06	1.58	1.72	-0.01	5.61	5.63	0.09
Russia	2.07	2.29	-0.04	2.03	1.85	-0.01	4.20	4.23	-0.09
Ukraine	1.44	1.39	0.00	2.96	2.77	0.00	4.25	3.85	0.00
USA	0.94	0.89	0.00	2.01	2.00	0.00	1.90	1.77	0.00
Belarus	0.40	0.41	0.00	2.28	2.05	0.00	0.90	0.83	0.00
Uruguay	0.18	0.16	0.01	1.60	1.72	-0.06	0.29	0.27	0.00
Others	1.51	1.49	0.01	1.71	1.72	0.23	2.58	2.56	0.37
World	42.97	42.20	0.02	2.02	2.03	0.01	86.60	85.78	0.27

Strategie Grains expects lower EU rapeseed production in 2024/25. The decline in global rapeseed prices, which is **limiting farmers' interest**, as well as dry conditions in Ukraine and Eastern EU countries have limited planting.

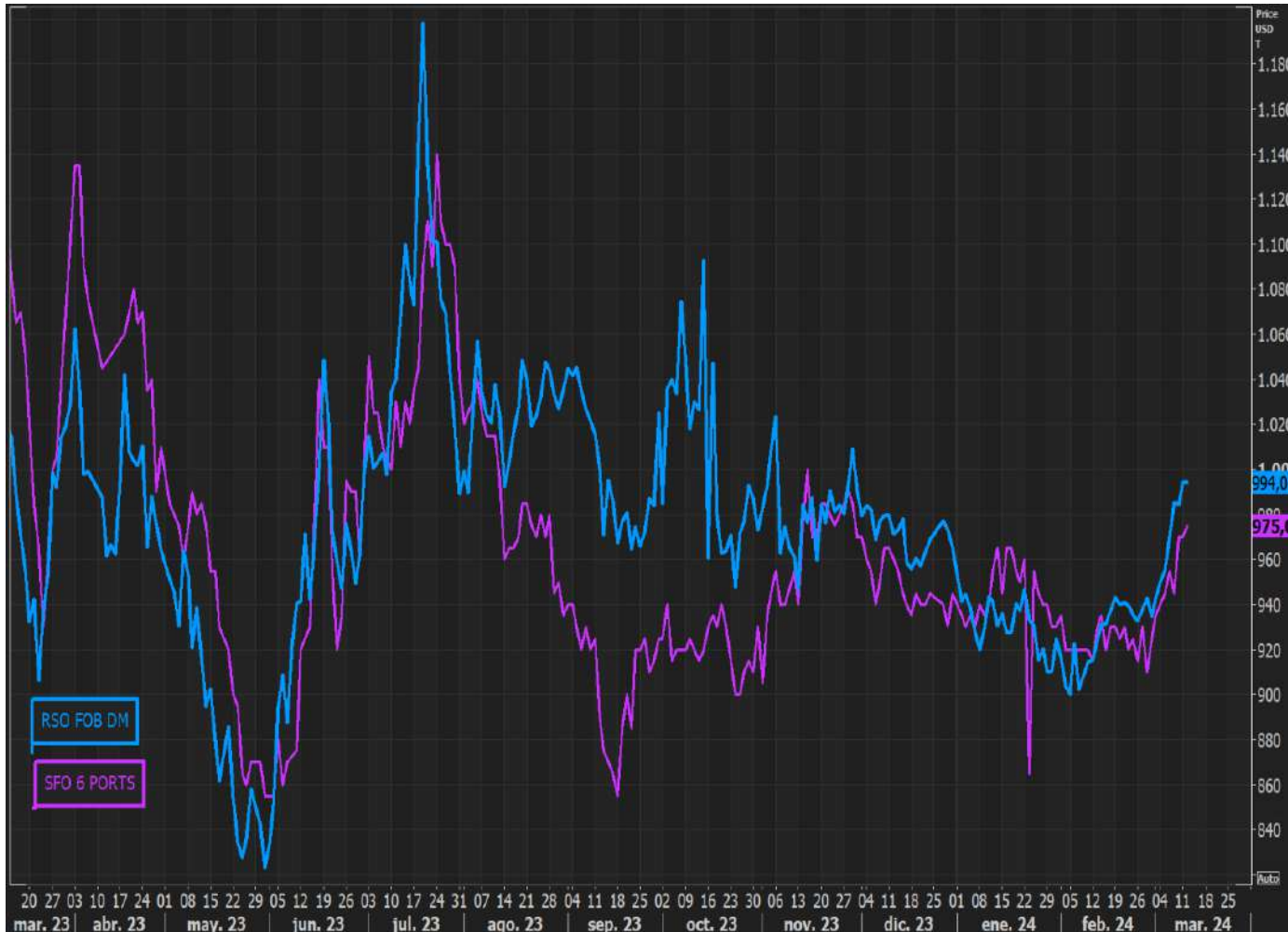
Strategies Grains (-2%) and StatsCan (-3,1%) estimate a lower area also in Canada.

Indian rapeseed crop was expected to reach a new record. However, **untimely rainfall and hailstorms** have battered rapeseed crops in India's main producing areas, which **could potentially affect the final yields.**

World production is expected to be lower that of 2023/24, with a decrease of 0.8 MnT. Sharp declines forecasted in the **EU and Ukraine** are likely to be partly offset by increases in Canada.

SOURCES: GODREJ/STATSCAN/STRATEGIE GRAINS/USDA

6.2 RAPESEED OIL (RSO): s&d 2024/25 expected to be well-balanced



Growth in rapeseed crushing will slow down due to less availability of seeds. In addition, the market expects a tighter balance of vegetable oils until arrival of next season in North Hemisphere, providing additionally support to RSO prices.

RSO has benefitted from the firm prices on palm oil.

It's likely that RSO prices will be well supported by rising biofuels productions in North & South America.

Weather in Canada and Europe, as well as Biofuel mandate (elections in US) are factor to closely monitor in coming months.

SOURCES: ARGUS/OIL WORLD/REUTERS/ STRATEGIE GRAINS

7. KEY FACTORS TO WATCH

- Palm oil production.
- Biofuel mandates (US elections).
- Indian S&D: carry-over and local production.
- Farmer selling (Argentina, Brazil, India, Ukraine).
- Situation in the Suez Canal & Ukraine.
- North American weather: US soybean & Canadian rapeseed.
- Weather in EU, Ukraine, and Russia: rapeseed & sunflower.
- Chinese economic situation.

“A World of
Vegetable Oils”



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