



Market Report

November 2024





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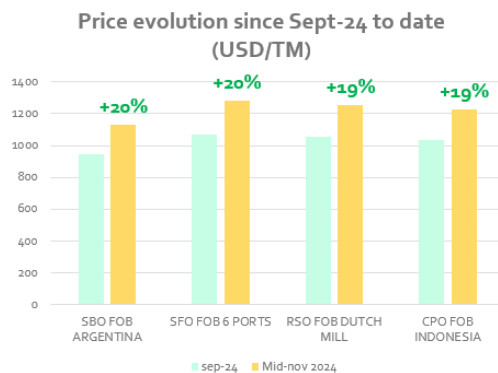
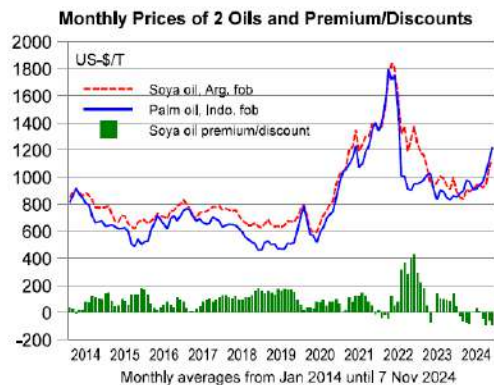


Vegetable Oils



1. VEGETABLE OILS

Recent setback but prices remain firm



SBO and CPO prices have come under recent pressure after several weeks of strength reaching such high levels that both food and energy sectors demand has been affected.

CPO prices have remained the price leader upward reacting to unusual poor production and perspective of higher domestic consumption in Indonesia.

Consumers have been forced to switch to alternatives vegetable oils bringing support to SBO prices in a context of tight RSO and SFO supplies and abundance of soybean.

Price rally of CPO and SBO also spilled to SFO magnifying the support for this year's poor harvests.



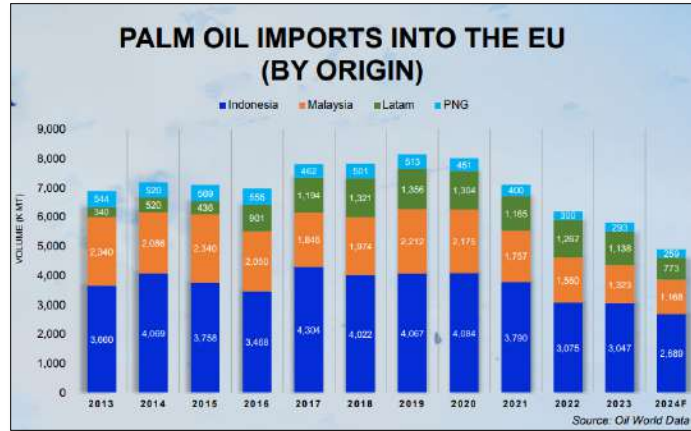
Since September, CPO, SBO, RSO and SFO prices increased by 17%-20% on the world market.



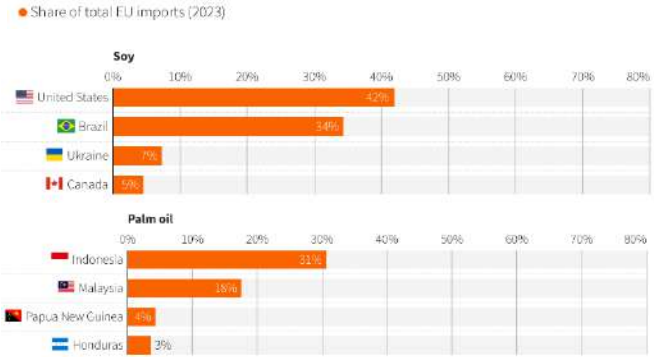
EUDR implementation



2. EUDR implementation has been postponed



Countries and commodities impacted by the EUDR



Last week the EU parliament agreed to postpone the EUDR regulation by one year, proposing new amendments mainly regarding the simplification of the procedures and the creation of a “zero” risk country category.

Price impact on CPO and laurics is however limited as the news was already expected by the market and as EU is a small market for CPO



Palm oil market





3. Palm Oil Market

Malaysia



Malasian CPO outlook
Oct-24 vs Oct-23
(millions tons)



MPOB Oct supply and demand estimates:

- **Production= 1.797 MnT down 1.35% vs. Sept**, slightly above market expectations
- **End-month stock slipped by 6% vs. Sept** (1.885 MnT) lower than market expectations and -23% vs last year's level.
- Exports are up 11% vs. Sept.



Exports are seen performing strongly as Malaysia stepped up to partly offset shortages from Indonesia.

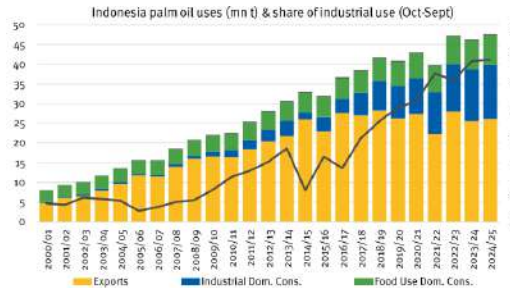
Large increase in export resulted in lower ending stocks.



3. Palm Oil Market

Indonesia

Indonesia's biodiesel mandate evolution



Sizeable setback in production and rising domestic usage are seen reducing Indonesian CPO exports to a multi year low in Jan/Dec 2024.

New government uncertainties regarding biodiesel admixture perspectives: B40 was planning to be implemented by Jan 2025 and new president is now talking about B50. As for now no decision has been taken but in either case exports **supplies outlook for Q1 2025 appear further reduced.**



For 2024 the OilWorld expect Indonesia production to only reach 45,9 MnT down 2,5 MnT vs. last year, representing a 3-year low.

Recovery in production is most likely to occur next year thanks to favorable weather and improvement in yields. Oil World estimates 2025 production to reach 48,2 MnT.



3. Palm Oil Market

Palm oil remains firm

CPO futures 3rd position vs. CPO FOB Indonesia



CPO prices have weakened lately correcting the sharp uptrend of the past weeks. Futures and cash prices have rallied over the past month widening their premiums vs other vegetable oils.

Futures have hit a 30-month high. Various factors continue to bring support:

- **Unusual low production in Indonesia**
- **Perspective of a higher biodiesel admixture mandate in Indonesia**
- **Declining stocks in Malaysia**

Malaysian exports have stepped up to partly offset shortage from Indonesia resulting in unusual low stocks in October. **Moreover, stocks in principle importing countries (China and India) appear low and demand could pick up.** But one of the **main price determining factor will be the Indonesian biodiesel policy** in the months ahead.



Soybean oil market



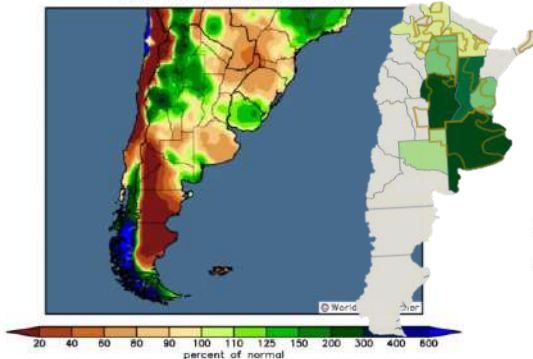
4. Soybean Oil Market

Comfortable South American balance for 2024/2025



GEFS Ensemble Median: Percent of Normal Precip
Days 1-14: 00UTC 28 Oct 2024 - 00UTC 11 Nov 2024

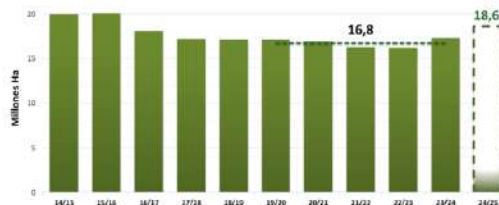
Model Initialized 00UTC 27 Oct 2024



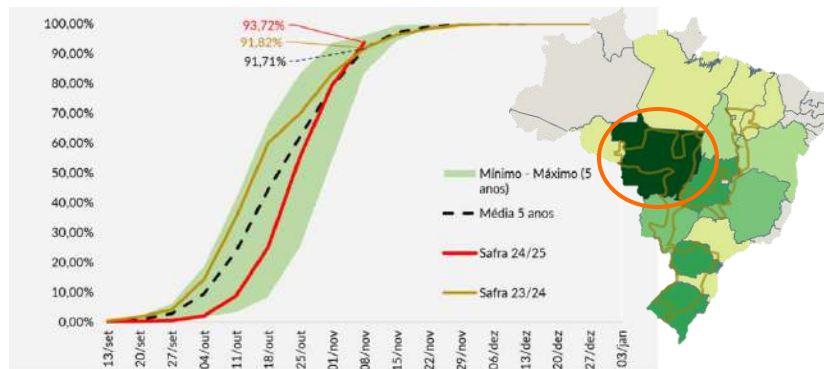
SOYBEANS: World Supply and Demand (Mn T)

S. Hemisphere	236.42*	222.45	200.74	185.55
Argentina	51.00*	49.50*	22.60*	41.80*
Brazil	164.00*	153.30*	160.20*	129.80*
Paraguay	10.70*	10.50*	9.70*	4.04*

Evolution of Argentina SB acreage



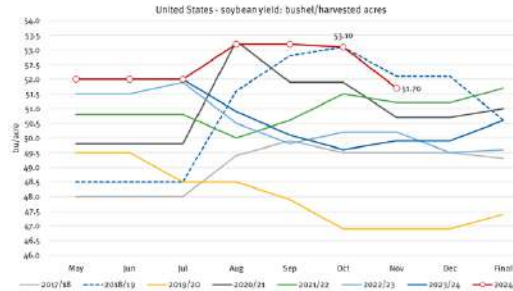
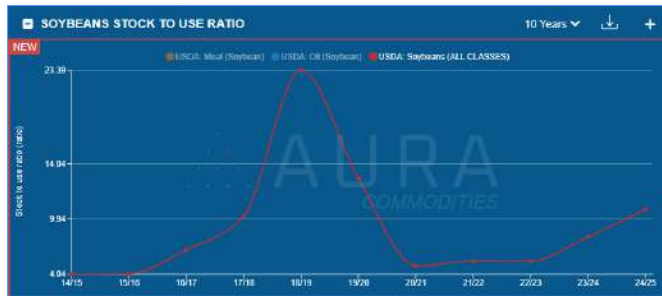
Mato Grosso planting progress



- **ARGENTINA: Soybean plantings have started under normal weather conditions** however additional rainfall is required as soil moisture remains below normal for this time of the year. **Soybean are reported planted 20%** (vs. 18% at that period last year.) **Buenos Aires grains exchange estimates 2024/2025 production to reach 50,8 MnT** with an acreage of 18,6 Mn Ha.
- **BRAZIL: Soybean are reported planted almost 75% which is higher than last year's level** at this time of the year (65%). Beneficial rainfall has been received in various states, and additional rainfall are expected. Plantings in Mato Grosso are almost done 95% (vs. 92% last year.) **Supplies are still likely to rise sharply on the year and contribute to a global production surplus in 2024/2025.** Weather development is a swing factor to watch.

4. Soybean Oil Market

USDA cuts production and stocks for 2024/2025 but balance remains comfortable



The last WASDE report from USDA surprised market with US and global soybean stocks coming below market expectations. US soybean crop suffered a sizable downward revision of 3,3 Mnt resulting in a brief support to soybean futures.

Soybean yields have also been reduced, dry weather across the Midwest since August resulted in losses. However, stocks still appears ample with a comfortable balance.

United States Ending Stocks

USDA November 8, 2024 – billions of bushels

	2024/25	Trade Avg	USDA Oct.
Corn	1.938	1.946	1.989
Soybeans	0.470	0.532	0.550
Wheat	0.815	0.813	0.812

USDA World Ending Stocks

WASDE November 8, 2024 – millions of tonnes

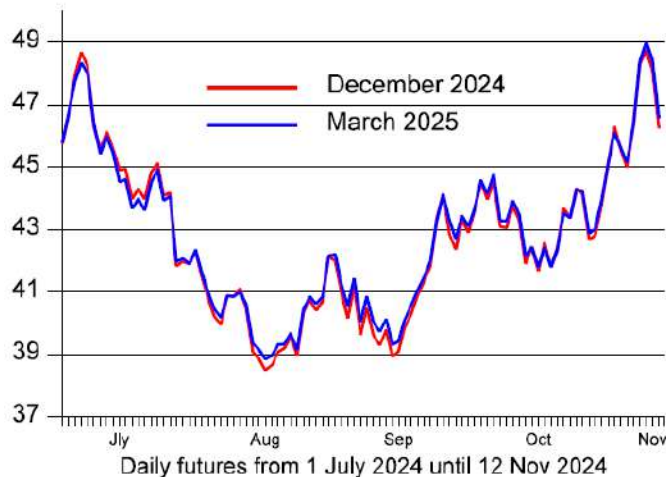
	2024/25	Trade	USDA Oct.
Corn	304.14	305.70	306.52
Soybeans	131.74	134.06	134.65
Wheat	257.57	256.79	257.72

4. Soybean Oil Market

A further price appreciation could be limited



COBT : Daily Soya Oil Futures (c/lbs)



Prices have rallied in the past weeks following CPO's upward trend. However, support was limited thanks to comfortable soybean balance for 2024/2025 and good production perspectives in South America.

However, it is still very early in the season for Brazil and Argentina and weather will need to be monitored very closely. **Consequences of the US elections on soybean trade activity is still unclear.**

Fears of a renewed trade conflict with China pressured **soybean** prices in the US however any trade policies won't be implemented in the near term.

US origin being the most competitive origin for China, any trade conflict leading the country to shift to other origins would pressure soybean US prices. There could be more downward potential if weather remains favorable in South America.



Sunflower oil market





5. Sunflower Oil Market

Further deterioration in production prospects

Ukraine

Harvesting is coming to an end. Yields are down sharply due to drought and unfavorable weather conditions. Production is expected around 12,5 MnT.

Russia

Yields are down sharply in the southern parts. Results are better in Volga. Harvest estimates are below 16 MnT.

EU

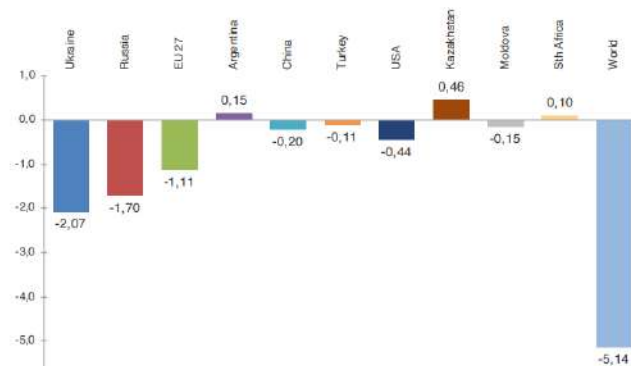
Production is down, principally in France, Romania and Bulgaria.

Harvest was very much delayed in France due to heavy rains. Yields are catastrophic in Bulgaria (production expected around 1,4 MnT) and Romania (expected 1,8 MnT) reported among the lowest in the last 15 years.

2.17. SUNSEED 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
Ukraine	5.77	5.71	0.00	2.53	2.20	-0.04	14.62	12.55	-0.24
Russia	9.44	9.38	0.00	1.85	1.68	0.00	17.44	15.74	0.00
EU 27	4.81	4.86	0.01	2.06	1.81	-0.03	9.89	8.78	-0.16
Argentina	1.78	1.82	0.00	2.02	2.07	0.00	3.60	3.75	0.00

2.18. MAIN CHANGES IN SUNSEED PRODUCTION IN 2024 COMPARED TO PREVIOUS MARKETING YEAR (MT)





5. Sunflower Oil Market

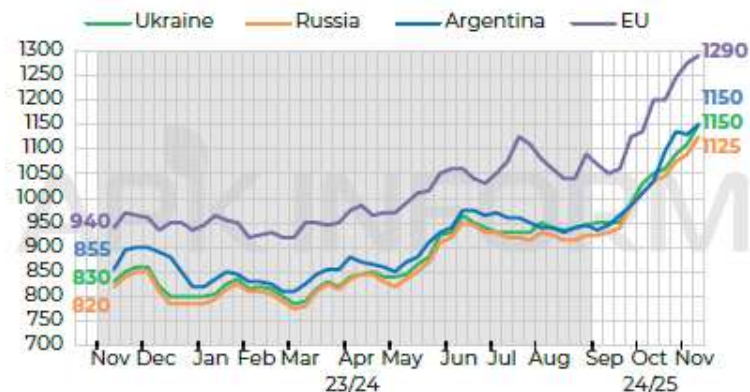
Prices are most likely to continue rising

With the further downward revisions in sunflower seeds production global SFO supplies are inevitably reduced. SFO supplies are expected to be down sharply on the year (-4 Mnt).

Ending stocks are forecasted at a very reduced level and stock/use are expected at an all-time low of 8,2%.

In this context prices are most likely to stay high and might even have further upward potential. Consumers will be forced to shift to other oils, however in a context where CPO production remains below potential, RSO supplies are tight, and SBO supplies cannot offset all the losses in rival oils.

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





Rapeseed oil market

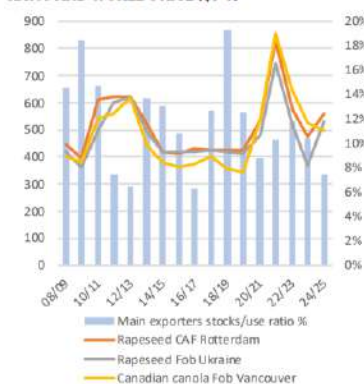




6. Rapeseed Oil Market

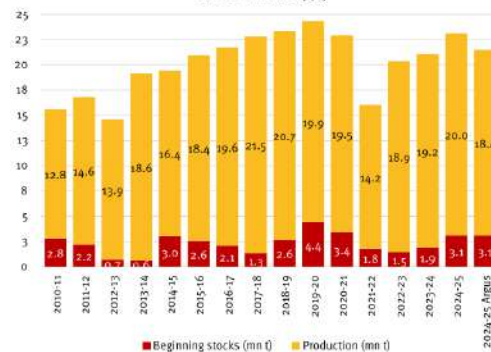
Tight 2024/2025 world balance

1.2. RAPESEED AND CANOLA STOCKS-TO-USE RATIO AND WORLD PRICE (\$/T)

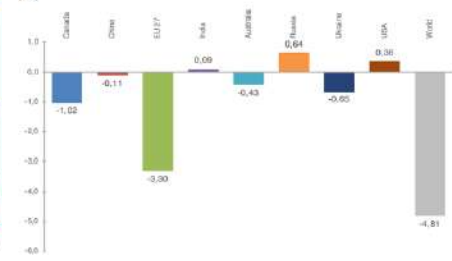


Rapeseed (Mt)	2023/24		2024/25	
July-June	27/09/24	25/10/24	27/09/24	25/10/24
carry-in	9.4	9.4	9.7	9.4
production	89.1	89.2	85.3	84.4
trade	18.9	18.9	18.6	17.5
crush	85.2	85.3	85.3	84.3
other cons.	3.6	3.9	3.2	3.0
carry-out	9.7	9.4	6.6	6.5
stock/use ratio	11.0%	10.5%	7.5%	7.4%

Canada canola supply



1.16. MAIN CHANGES IN RAPESEED PRODUCTION IN 2024 COMPARED TO PREVIOUS MARKETING YEAR (MnT)

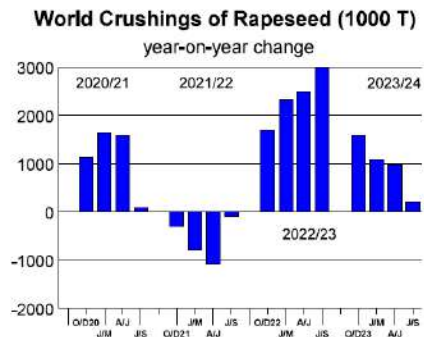
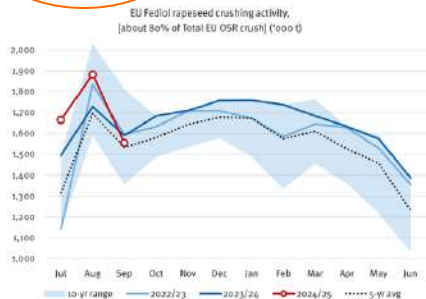


- **CANADA:** Harvest is ending and has been sharply revised downward by 1 MnT (vs. previous estimates) mainly on the account of heat and dryness in July followed by thunderstorm damage in August.
- **AUSTRALIA:** Yields outlook deteriorated due to dryness in some regions and frosts in others.
- **RUSSIA:** Harvest is also ending with disappointing yields.
- **UKRAINE:** Almost 75% of the rapeseed supplies available this season have already been either exported or crushed in July/Oct 2024. Stocks are reported around 1 MnT as of end-oct (vs. almost 2 MnT last year.) It appears that the forecasted world deficit for 2024/2025 further widens with a stock/use being below the 5-years average.



6. Rapeseed Oil Market

Upward potential for RSO prices



Disposal of rapeseed and canola have been unsustainably large so far this season reaching a new high in July/Sept 2024. **Decline in crushing appears inevitable** considering the severe declines of rapeseed supplies of at least 5 MnT this season.

EU crush already started to ration without any surprise considering almost 3 MnT decline in EU production this season combined with lower carried stocks. **RSO prices remain with an upward potential with inevitable tightening supplies in the remainder of the season.**



Lauric oils market





7. Lauric Oil Market

Prices development

- **Coconut Oil (CCNO):** Typically trades at a premium due to higher oleochemical properties, but recent price increases in palm kernel oil (CPKO) have reversed this trend. **Prices have increased by 86% since early 2024, driven by tight supply and disruptions in the Philippines following Typhoon Man-yi.**
- **Palm Kernel Oil (CPKO):** Prices surged to their highest since May 2022, supported by tight supply, strong crude palm oil futures, and sustainability regulation compliance. **CPKO now trades at a \$75-\$100 premium over coconut oil due to faster price gains.**
- **Both markets face supply challenges, but palm kernel oil has strengthened its position with sustained demand and pricing power.**



Conclusions



8. VEGETABLE OILS MARKET:

Conclusions



- **Vegetable oils supplies appears every time tighter.** Low stocks and palm production are bringing support to the vegetable oils complex in a context where RSO and SFO supplies are extremely tight. Soybean plantings seems to start on a good path in South America, bringing forecast of ample soybean supplies.
- **PALM OIL:** Uncertainties regarding Indonesian biodiesel policy coupled with rising share of old and lower yielding oil palms and low stocks in Malaysia are bringing support to the vegetable oil complex. Swing factor to watch will be Indonesia's domestic needs and major importers demand (India and China.)
- **SOYBEAN OIL:** Comfortable balance is expected for next season is normal weather conditions continues to develop in South America.
- **SUNFLOWER OIL:** Additional crop losses have been registered. Stock/use are forecasted at an all-time low, in this context prices are most likely to stay high and could have an upward potential.
- **RAPSEED OIL:** Disappointing global production is leading to a global production shortage with inevitable reduction of crushing. Prices are most likely to stay relatively high.

A world of vegetable oils!



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