

THE GLOBAL OILS & FATS DYNAMICS AND ITS IMPACT ON PALM OIL PRICE

BY

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MPOC Market Forum

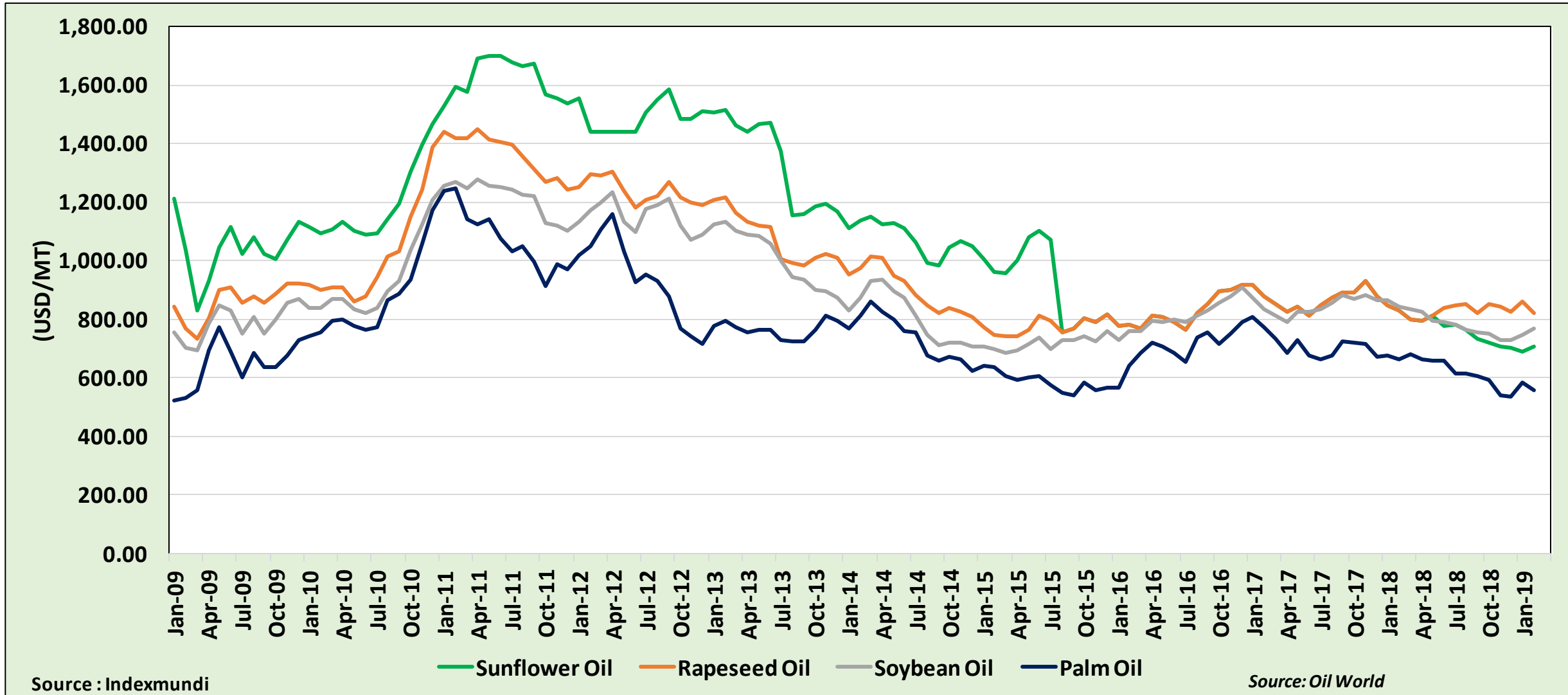
13 March 2019

PRESENTATION OUTLINE



- 1. Oils and Fats Prices Backdrop**
- 2. Distribution of Oils and Fats – Production, Consumption & Exports**
- 3. Price Analysis**
- 4. Conclusion**

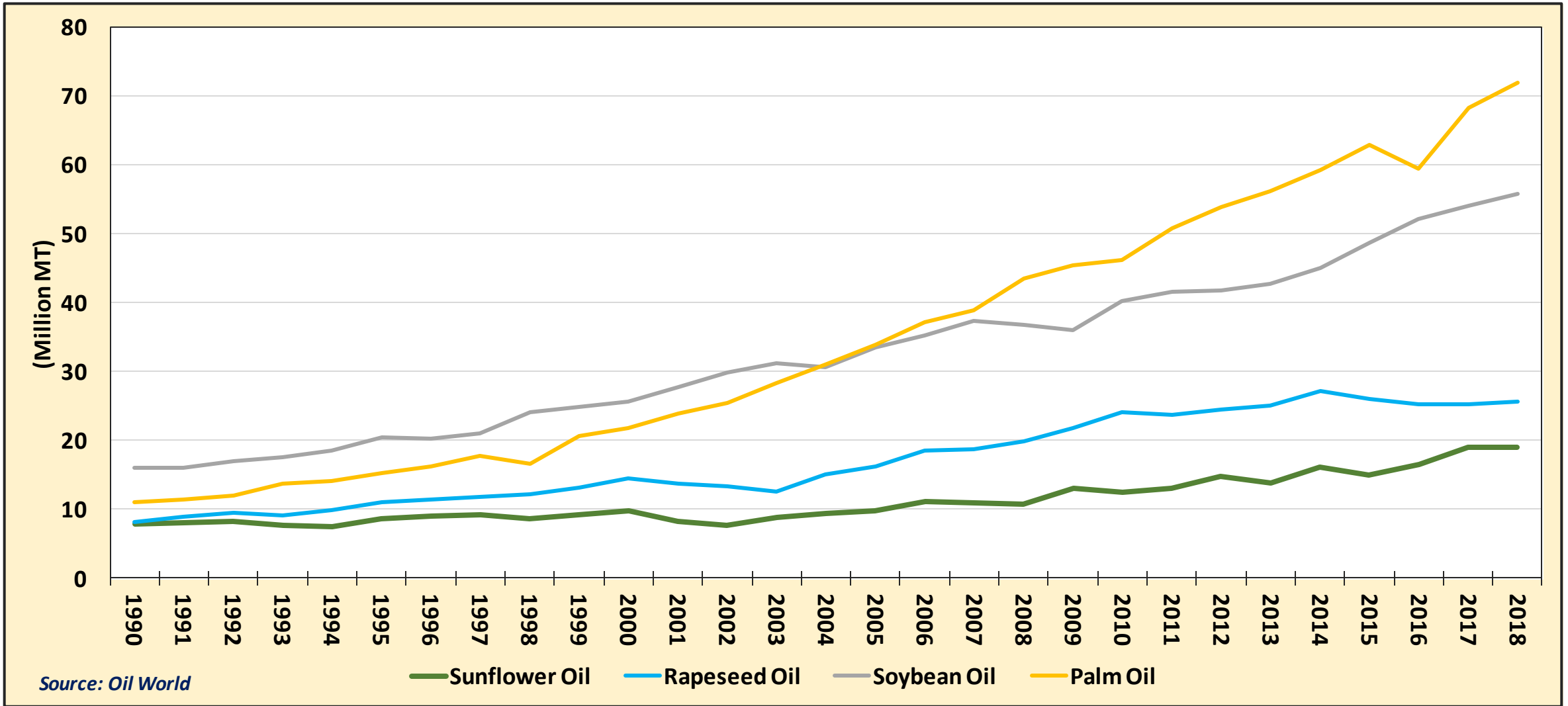
4 MAJOR OILS & FATS PRICES JAN 2009 – JAN 2019



DISTRIBUTION OF OILS AND FATS – PRODUCTION, CONSUMPTION & EXPORTS



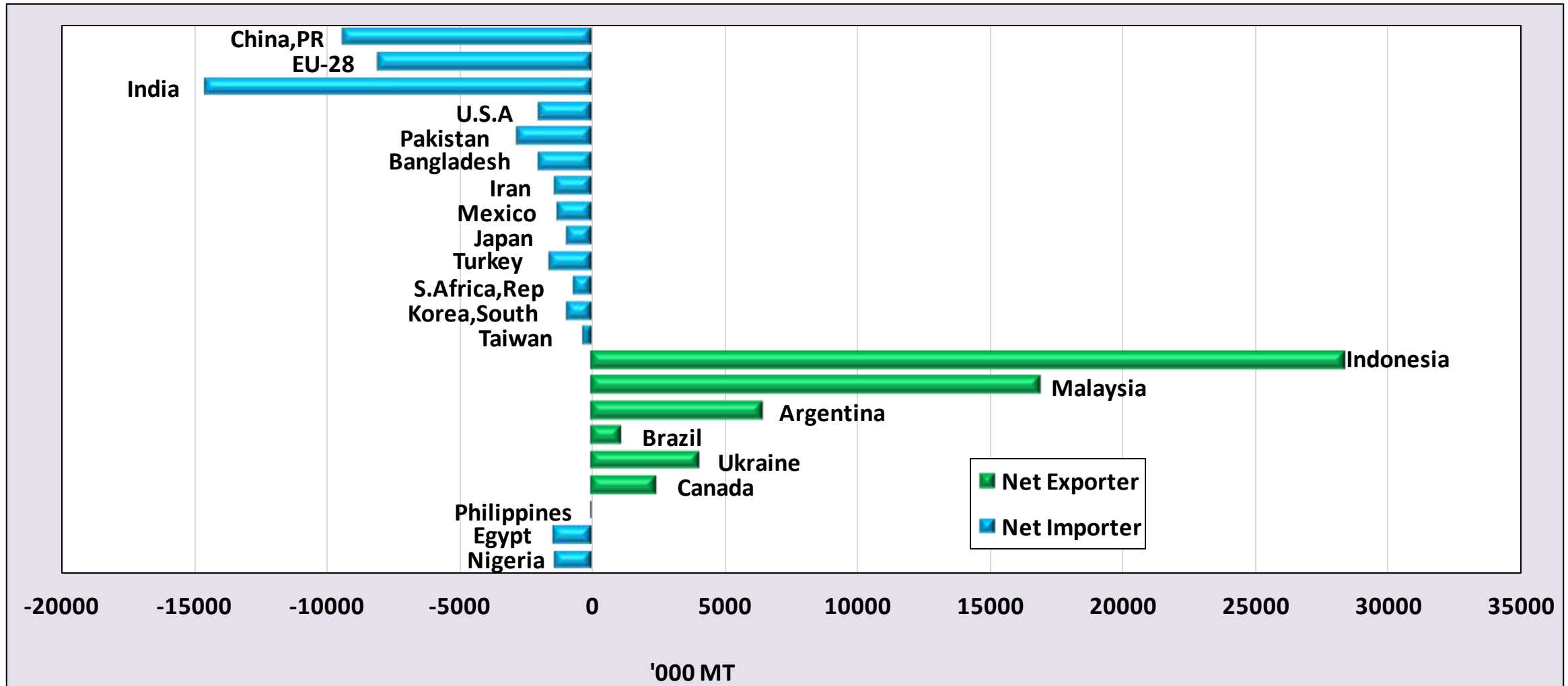
PRODUCTION OF 4 MAJOR EDIBLE OILS (1990 – 2018)



OILS & FATS EXPORTS

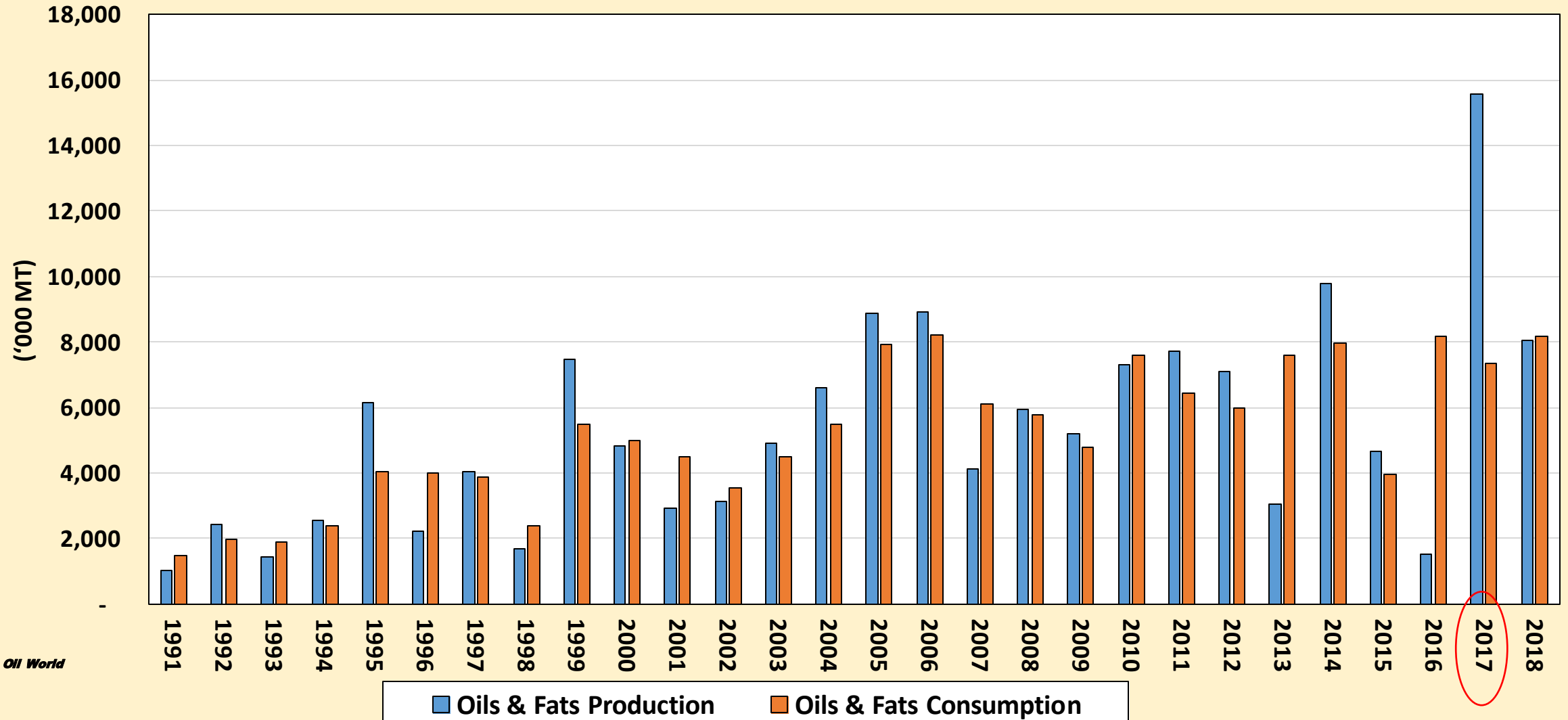
	1990		2018	
	('000 MT)	(%)	('000 MT)	(%)
Palm oil	8,429	36.22	50,130	56.88
Soybean oil	3,294	14.15	11,130	12.63
Sunflower oil	2,126	9.13	10,130	11.49
Rapeseed oil	1,613	6.93	4,940	5.60
Subtotal	15,462	66.43	76,330	86.60
Cottonseed Oil	302	1.3	130	0.15
Groundnut Oil	318	1.37	270	0.31
Sesame Oil	22	0.09	50	0.06
Corn Oil	360	1.55	750	0.85
Olive Oil	287	1.23	1090	1.24
Palmkernel Oil	886	3.81	3,310	3.76
Coconut Oil	1,617	6.95	1,820	2.06
Butterfat	625	2.69	820	0.93
Lard	269	1.16	130	0.15
Fish Oil	694	2.98	910	1.03
Linseed Oil	184	0.79	110	0.12
Castor Oil	178	0.76	620	0.70
Tallow /Grease	2,070	8.89	1,800	2.04
Subtotal	7,812	33.57	11,810	13.40
Total	23,274	100.00	88,140	100.00

OILS & FATS – NET IMPORTERS AND EXPORTERS



Source: Oil World

GLOBAL OILS & FATS PRODUCTION & CONSUMPTION Y-O-Y CHANGE 1991 – 2018 ('000 MT)



Source : Oil World

MAJOR OILS & FATS PRICE ANALYSIS



MAJOR OILS & FATS PRICES FROM JAN 2017 – FEB 2019



Month	Palm Oil (USD/MT)	Soybean Oil (USD/MT)	Rapeseed Oil (USD/MT)	Sunflower Oil (USD/MT)
Jan-17	809	877	891	873
Feb-17	774	840	874	873
Mar-17	734	815	847	835
Apr-17	685	794	839	798
May-17	727	825	842	795
Jun-17	677	833	847	794
Jul-17	663	836	906	793
Aug-17	674	862	875	816
Sep-17	724	889	873	822
Oct-17	721	881	897	805
Nov-17	716	887	963	810
Dec-17	672	867	902	801
Jan-18	677	871	848	799
Feb-18	663	844	827	806
Mar-18	681	837	800	801
Apr-18	664	832	793	799
May-18	660	793	811	801
Jun-18	657	789	838	775
Jul-18	616	780	849	780
Aug-18	614	762	854	763
Sep-18	605	754	821	734
Oct-18	590	752	851	718
Nov-18	540	729	840	706
Dec-18	535	728	827	703
Jan-19	585	748	860	688
Feb-19	556	735	823	675

- Sunflower oil price has declined from USD873/MT to USD675/MT (22.7% drop)
- Rapeseed oil has declined from USD891/MT to USD823/MT. (7.67% drop)
- Soybean oil has declined from USD877/MT to USD735/MT. (6.2% drop)
- Palm oil has declined from USD 809/MT to USD 556/MT. (31.3% drop)

EXPECTATIONS

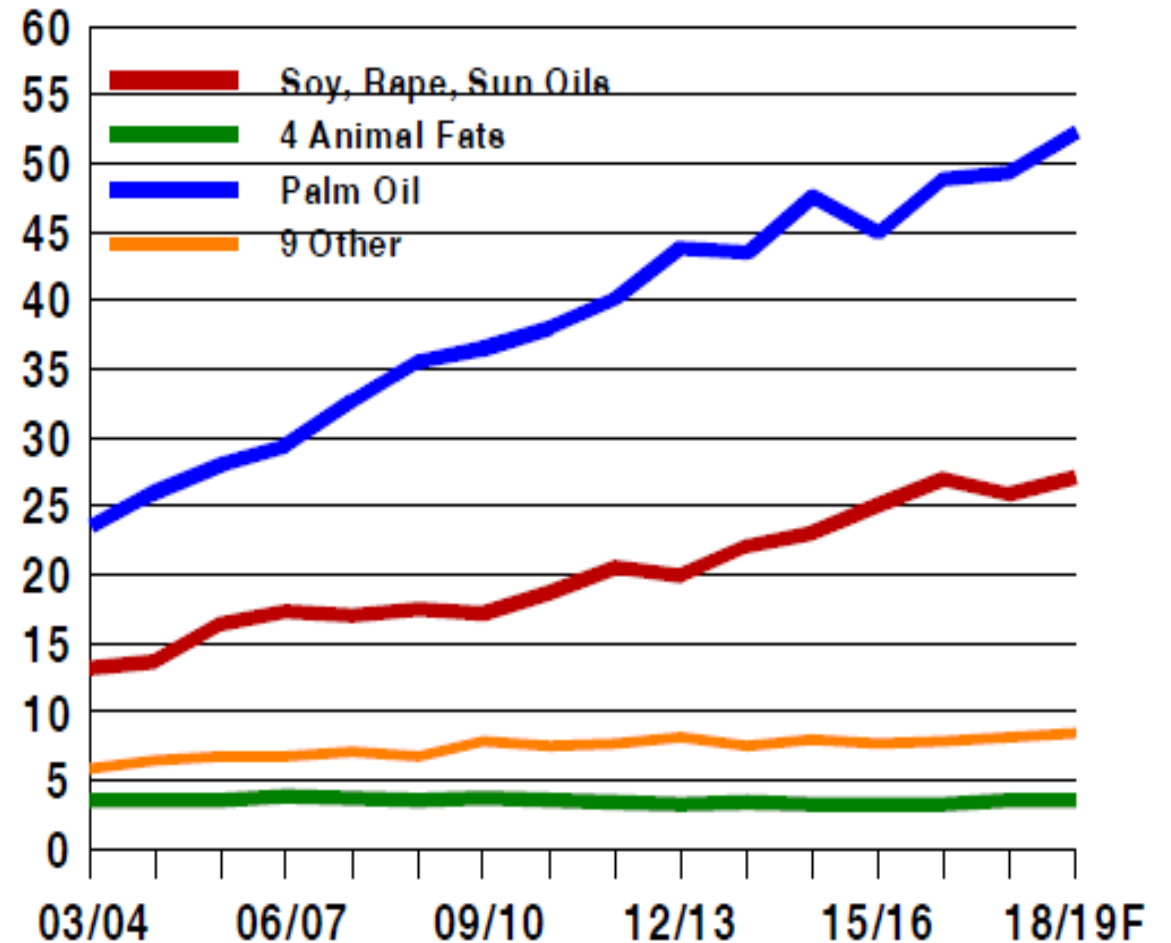
2019



2019 OILS & FATS OUTLOOK

- Overall oils and fats will see higher demand in 2019
- Global palm oil dependency will continue to rise in 2019
- Demand will be strong from China, India and the African continent
- Oils and fats exports in 2019 will likely exceed 90 million MT and palm oil share could be as high as 60%

17 OILS & FATS : World Exports (Mn T)



Source : Oil World

GLOBAL OILS & FATS SUPPLY & DEMAND SCENARIO



('000 T)	2014	2015	2016	2017	2018E	2019F
Opening Stock	29,139	30,782	32,826	28,157	30,851	33,061
Production	202,023	206,775	206,570	221,975	230,037	234,500
Import	77,417	83,118	80,560	87,161	87,644	91,000
Export	77,487	84,086	80,273	87,260	88,136	92,000
Consumption	200,310	203,763	211,526	219,182	227,335	233,900
Ending Stock	30,782	32,826	28,157	30,851	33,061	32,661
Stock Usage Ratio	15.37%	16.11%	13.31%	14.08%	14.54%	13.96%

Source : Oil World & MPOC Estimates

PRICE FORECAST 2019



At the recently concluded POC 2019, the eminent speakers forecast the following prices for palm oil in 2019

	Low (RM/MT)	High (RM/MT)	Average (RM/MT)
Dr. James Fry	1,950	2,360	2,155
Mr. Harold Sauthoff	1,950	2,400	2,180
Mr. Thomas Mielke	2,100	2,450	2,400
MPOC	2,061	2,564	2,303

THANK YOU

VISIT OUR WEBSITE FOR A COMPREHENSIVE INFORMATION ABOUT PALM OIL

www.mpoc.org.my