



MPOC Webinar
“Palm Oil in the Post-Pandemic Market”
(Focus on India, China & EU)

Datuk Dr. Kalyana Sundram
Chief Executive Officer, Malaysian Palm Oil Council
June 11, 2020

Impact of the Pandemic



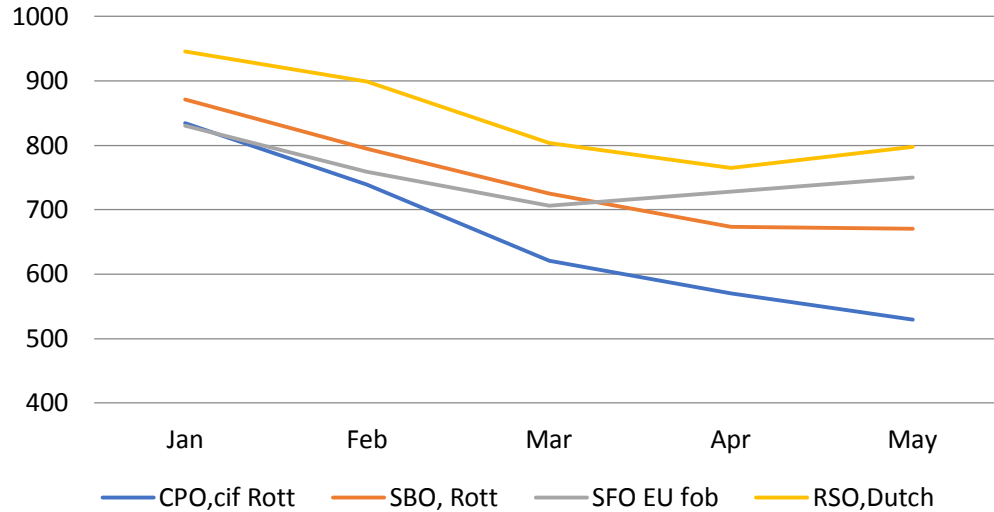
- Covid-19 has disrupted global economic, political, social and financial structures
- All major commodities and exchanges have registered major declines. We are hopeful that matters could progressively improve.
- Prices of all major edible oils have been pounded and low Brent crude oil price have been a contributing factor.
- The average monthly local delivered price of CPO has fluctuated between the high of RM 3,013 in January and low of RM 2,074 in May 2020 and has registered an average 5-month value of RM 2,497.
- Demand for oils and fats in food (HORECA) and non-food (biodiesel) sectors has been severely affected
- Should extended lockdowns in major consuming countries persist, exports in 2nd and third quarters are likely to be compromised and lower.



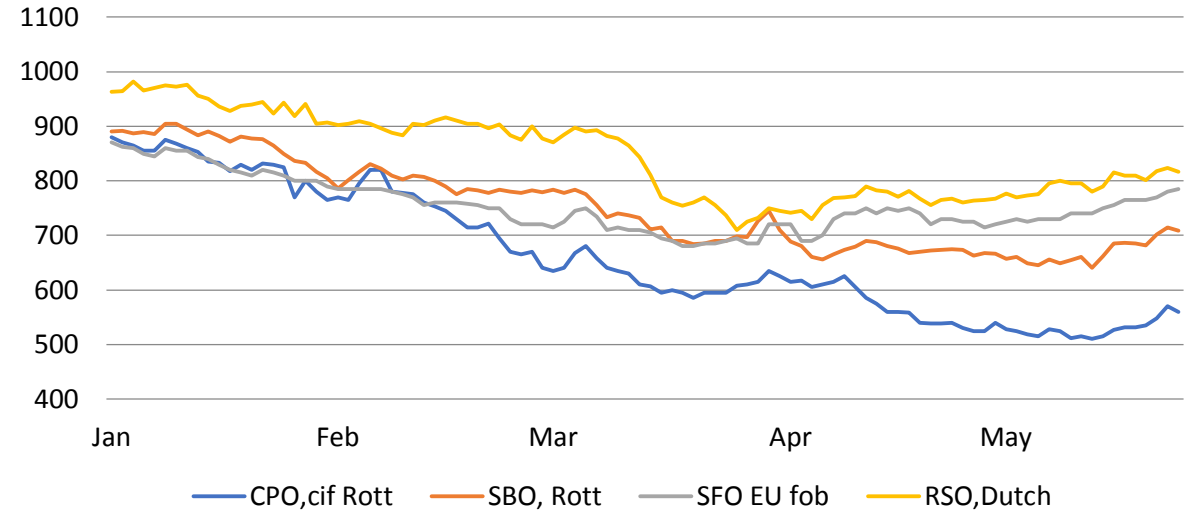
Price Comparison (Jan – May)



2020: Prices of 4 Major Oils (USD/MT)



2020: Daily Prices of 4 Major Oils



Palm Oil vs SBO

USD/MT	SBO, Rott	CPO,cif Rott	SBO Premium over CPO
Jan	871	834	37
Feb	795	739	56
Mar	725	621	104
Apr	673	570	103
May	671	529	142

Palm Oil vs SFO

USD/MT	SFO EU fob	CPO,cif Rott	SFO Premium over CPO
Jan	830	834	(4)
Feb	759	739	20
Mar	706	621	85
Apr	728	570	158
May	749	529	220

Palm Oil vs RSO

USD/MT	RSO, Dutch	CPO,cif Rott	RSO Premium over CPO
Jan	946	834	112
Feb	899	739	160
Mar	804	621	183
Apr	765	570	195
May	797	529	268

Source: Oil World



Export Summary Jan – May 2020



Region	Jan – May 2020	Jan – May 2019	Change (Vol.)	Change (%)
Asia Pacific	2,132,239	2,221,565	(89,326)	(4.02)
Sub-Continent	928,734	2,723,853	(1,795,119)	(65.90)
Middle-East (East of Suez)	670,663	676,124	(5,461)	(0.81)
Middle-East (West of Suez)	212,398	168,968	43,430	25.70
Africa	922,492	892,213	30,279	3.39
Europe	932,881	973,347	(40,466)	(4.16)
Americas	275,820	328,582	(52,762)	(16.06)
Others	10,388	11,825	(1,437)	(12.15)
Total Exports	6,085,615	7,996,476	(1,910,861)	(23.90)
Exports Value (Million RM)	16,948	17,841	(892)	(4.99)

Jan – May 2020

- Total Exports; 6.09 million MT, a decrease of 23.9%
- Subcontinent showed largest decline of 1.8 million MT or 65.9% due to sharp declines of exports to India
- Middle East – West of Suez region imports increased by 25.7%, to 168,968 MT contributed by higher imports in Egypt, Djibouti and Somalia
- Imports by Asia-Pacific region declined marginally by 4.02% due to lower imports by Vietnam and Japan
- Both Americas and Europe imports declined by 16% and 4% respectively



Source: MPOB

Top MPO Export Destinations



No	Country	Jan – May 2020	Jan – May 2019	Diff (MT)	Diff (%)	% of Export Share
1	China	907,018	899,429	7,589	0.84	14.90
2	Netherlands	509,245	388,407	120,838	31.11	8.37
3	Pakistan	443,914	435,607	8,307	1.91	7.29
4	Philippines	293,691	270,690	23,001	8.50	4.83
5	Turkey	251,555	298,793	(47,238)	(15.81)	4.13
6	U.S.A	247,793	295,335	(47,542)	(16.10)	4.07
7	Vietnam	207,796	238,458	(30,662)	(12.86)	3.41
8	Italy	196,681	195,157	1,524	0.78	3.23
9	Japan	196,572	212,569	(15,997)	(7.53)	3.23
10	Saudi Arabia	189,938	58,232	131,706	226.17	3.12
11	Bangladesh	189,473	22,538	166,935	740.68	3.11
12	South Korea	172,157	178,967	(6,810)	(3.81)	2.83
13	India	151,106	2,161,603	(2,010,497)	(93.01)	2.48
	Others	2,128,676	2,340,691	(212,015)	(9.06)	34.98
	Total	6,085,615	7,996,476	(1,910,861)	(23.90)	100.00

Source: MPOB



MPOC Forecast

- Total production of Malaysian palm oil in 2020 is forecast between 19.5 to 19.6 million MT
- MPO exports in Q3 are projected to be 4.56 million MT, a 2.5% increase compared to Q2, due to gradual increase in demand from traditional markets
- Overall palm oil imports by India in Q3 is projected to reach about 2.15M MT. facilitated by CPO duty exemption and competitive pricing versus other PO producers.
- China's demand for palm oil in Q3 could improve, with an estimated import volume of 1.8 million MT
- EU demand for palm oil is anticipated to improve owing to decline in rapeseed production due to detrimental weather and lower seed crushing activities. It is projected that palm oil could fill the gap in the 3rd and 4th quarters of 2020.

