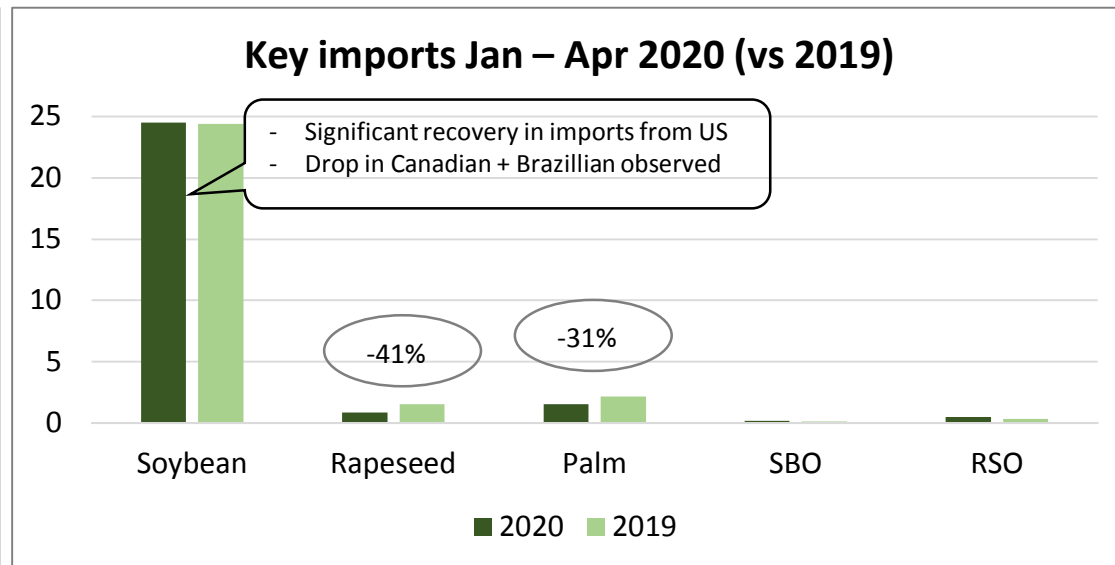
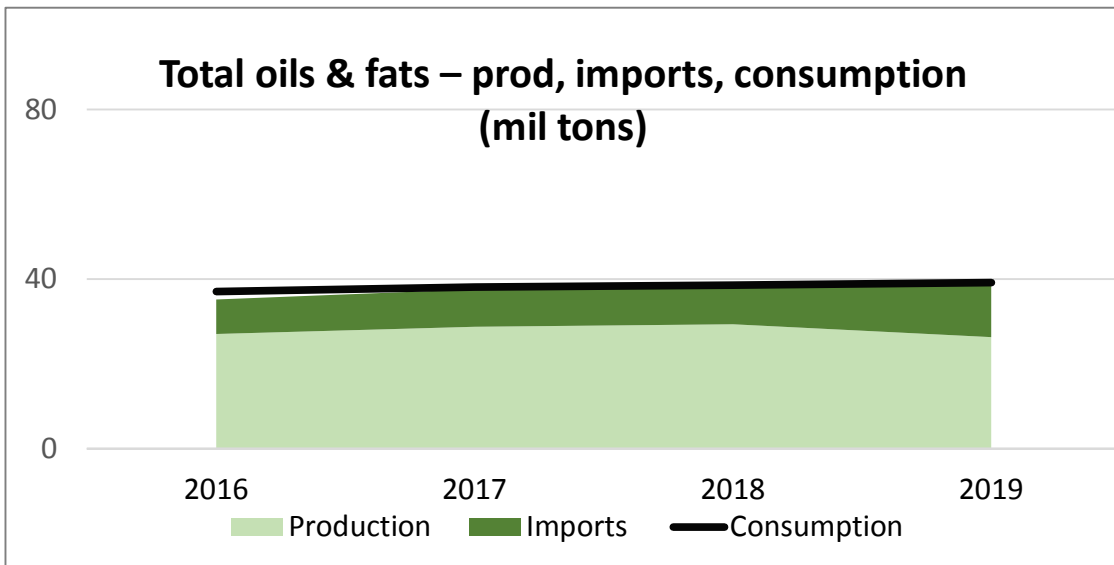
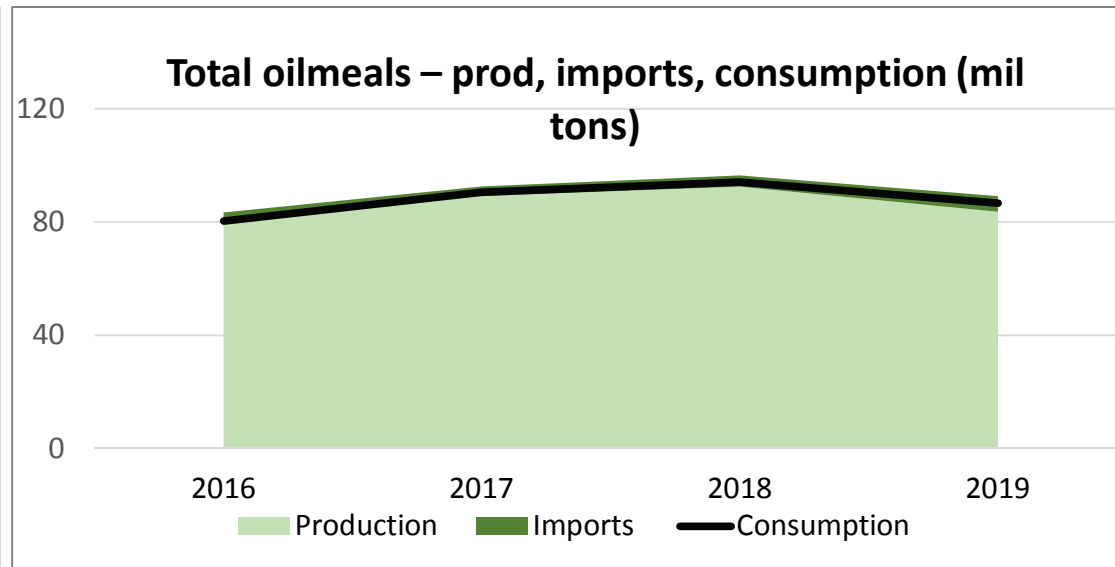
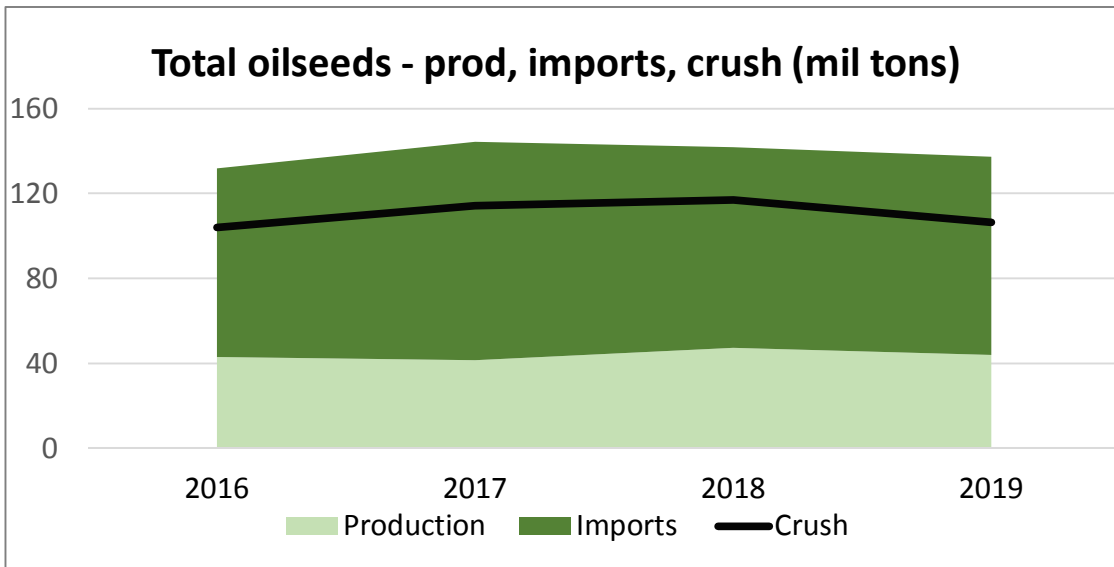


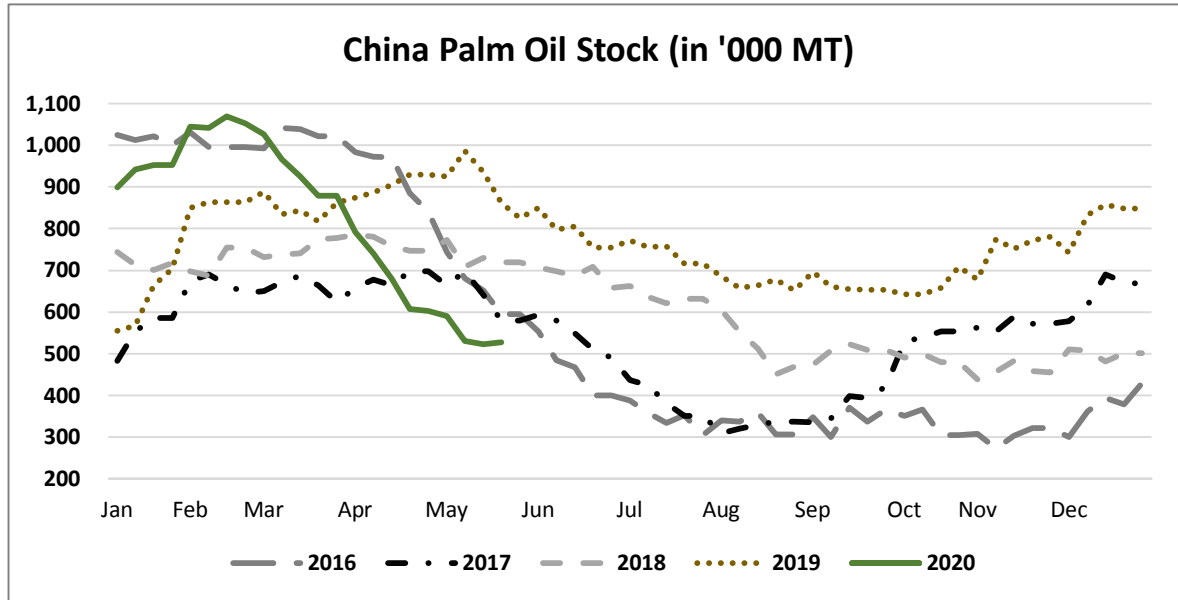
MPOC WEBINAR ON PALM OIL IN THE POST-PANDEMIC MARKET



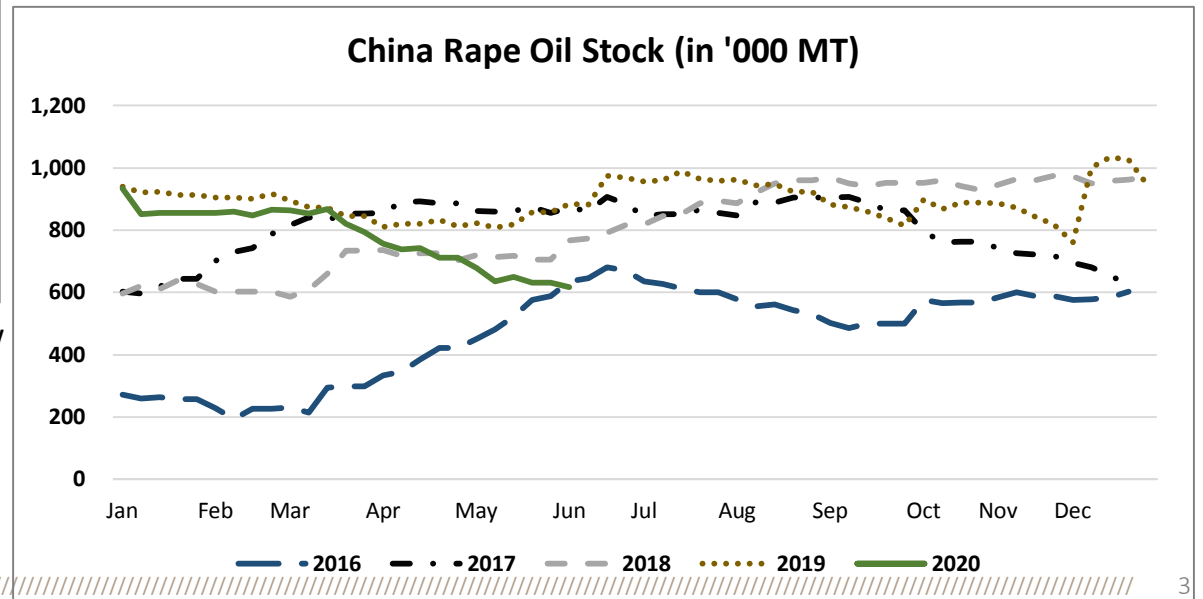
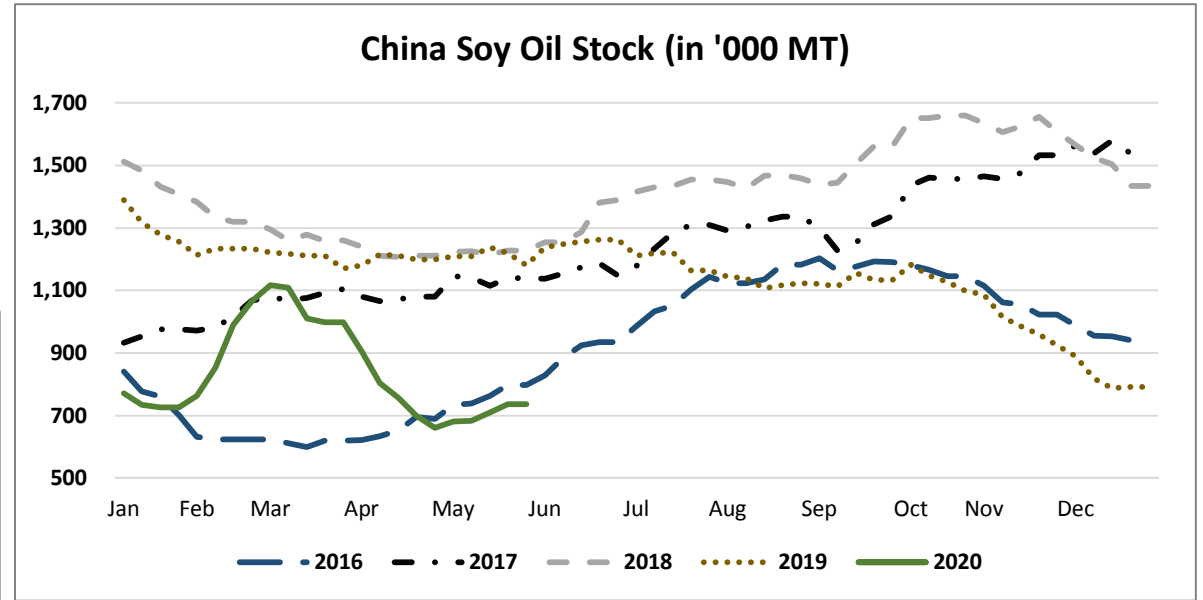
OVERVIEW OF CHINA'S OILSEEDS, OIL MEALS, OILS & FATS BALANCE



OILS AND FATS INVENTORY HAS BEEN DRAWN DOWN TO LOW LEVELS



China's palm oil stocks are very low and prices are relatively competitive now

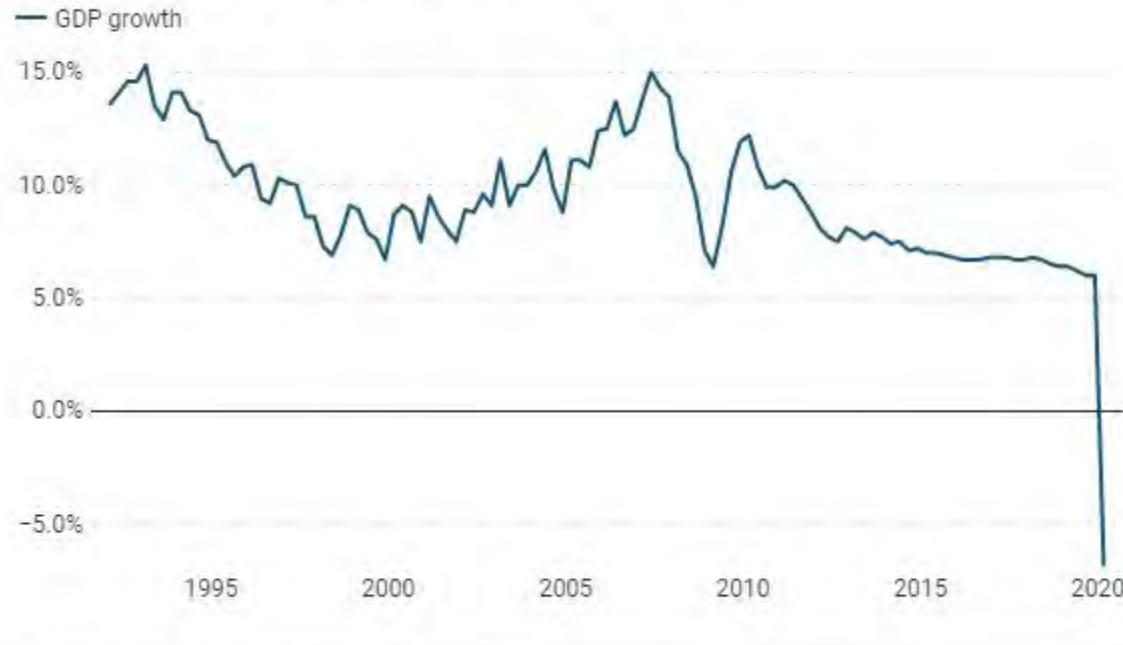


KEY CONSIDERATIONS FOR CHINA'S DEMAND MOVING FORWARD

- Chinese government needs to build on national reserves – response plan for food security to boost inventories for grains + oilseeds (also, in the event of a possible second wave of infection).
- Palm does not form the national reserve but China is likely to buy more palm oil to fill possible gaps resulting from further drops in soybean/rapeoil/seeds imports if further political fall-out with US/Canada
- China palm imports also likely to (typically) increase from Jul onwards in line with production recoveries at origin
- China's economy has re-opened and demand is recovering fast

HOW QUICKLY CAN THE ECONOMY RECOVER?

China's GDP growth, quarterly



Source: National Bureau of Statistics

- The country entered the Covid-19 crisis in worse shape, not better.
- Shoring up domestic demand will have to be balanced against risk of walking into debt trap; and
- China's economy is heavily dependent on exports and functioning supply chains, now it faces an unprecedented external demand shock

CHINA IMPORTS IN 2020 WILL LIKELY FALL BELOW PREVIOUS YEAR

China Palm Oil Import 2016-2020

	2016	2017	2018	2019	2020
Jan	482	535	468	695	476
Feb	268	340	373	477	406
Mar	409	377	465	551	306
Apr	274	424	300	469	329
May	195	288	380	610	466
Jun	238	217	350	430	430
Jul	333	198	365	638	520
Aug	403	418	414	746	570
Sep	481	688	520	578	600
Oct	270	480	459	795	650
Nov	446	547	558	840	600
Dec	680	567	585	723	600
Total	4,478	5,079	5,237	7,552	5,953
Share of Mal palm	41%	37%	33%	30%	30 – 40%



THANK YOU
FOR YOUR TIME

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