

A photograph of a wooden bowl filled with soybeans, spilling onto a wooden surface. The scene is dimly lit, creating a warm, rustic atmosphere. The text "Edible Oil Insights" is overlaid in white, centered over the bowl.

Edible Oil Insights

Palm oil Outlook



Price Trend – BMD CPO price trend is bearish for the short to medium term. However, in the 2nd half of 2024 price trend likely to turn to bullish.



Production – As per USDA, total palm oil production in Malaysia and Indonesia for 2023-24 (Oct – Sep) is estimated at 66 MMT, up by 2.5% y-o-y. Meanwhile, with El Nino concerns strengthening there is higher possibility that production be negatively impacted.



Trade – As palm oil prices remain cheaper in the edible oil complex, usage in food and fuel has increased. Hence, exports from Malaysia and Indonesia remained higher by 15% in 2022-23, while exports are estimated to increase by 3% y-o-y in 2023-24.



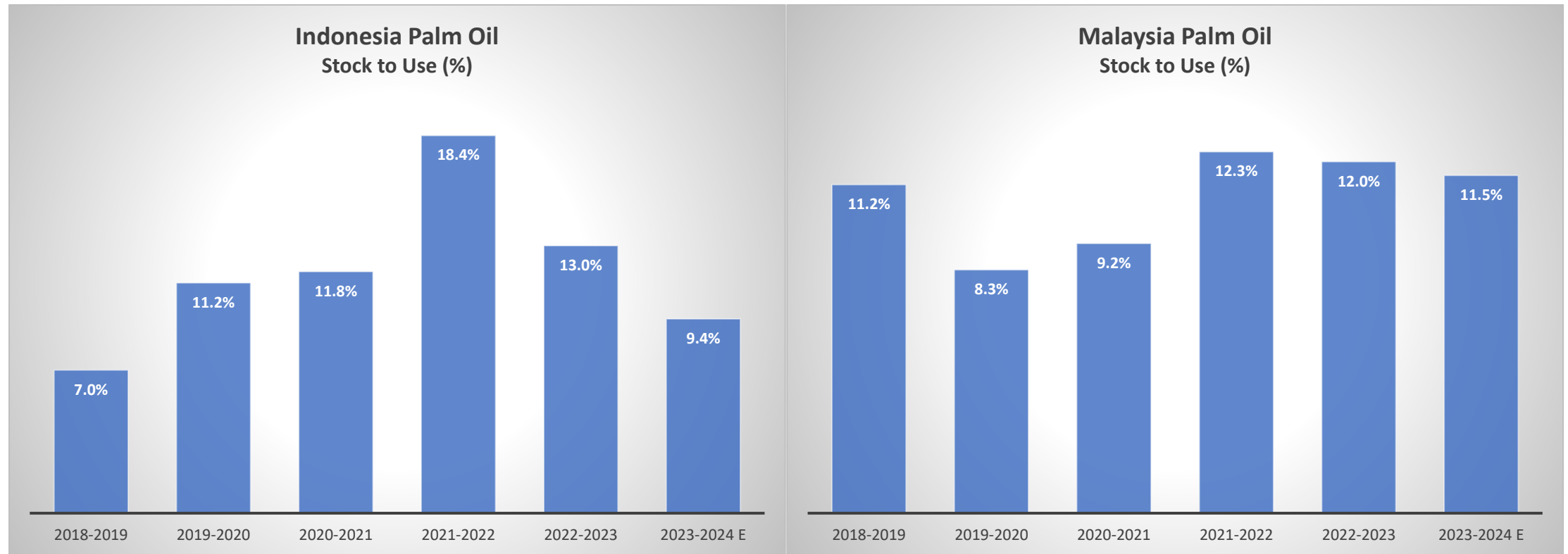
Carry Over Stocks - The combined carryover stocks in 2023-24 is estimated to remain lower by 18% y-o-y as a result of higher domestic usage and exports. The stock to use ratio would drop in 2023-24.

Palm Oil SND

Indonesia Palm Oil SnD (Unit - MMT)				
	2021-2022	2022-2023	2023-2024 E	Y-o-Y Change
Area Harvested	12.50	13.50	13.80	2%
Beginning Stocks	5.06	7.30	6.14	-16%
Production	42.00	46.00	47.00	2%
Imports	0.00	0.00	0.00	0%
Total Supply	47.06	53.30	53.14	0%
Exports	22.32	28.08	28.20	0%
Industrial Use	10.50	11.90	12.85	8%
Food Use	6.65	6.90	7.20	4%
Feed Use.	0.28	0.29	0.30	3%
Domestic Consumption	17.43	19.09	20.35	7%
Ending Stocks	7.30	6.14	4.59	-25%
Stock to Use (%)	18.4%	13.0%	9.4%	

Malaysia Palm Oil SnD (Unit - MMT)				
	2021-2022	2022-2023	2023-2024 E	Y-o-Y Change
Area Harvested	5.45	5.50	5.55	1%
Beginning Stocks	1.76	2.32	2.31	0%
Production	18.15	18.39	19.00	3%
Imports	1.24	0.94	1.40	50%
Total Supply	21.15	21.64	22.71	5%
Exports	15.53	15.36	16.40	7%
Industrial Use	2.42	3.00	3.00	0%
Food Use	0.81	0.86	0.87	2%
Feed Use.	0.07	0.12	0.10	-14%
Domestic Consumption	3.30	3.97	3.97	0%
Ending Stocks	2.32	2.31	2.34	1%
Stock to Use (%)	12.3%	12.0%	11.5%	

Palm Oil Stock/Use Ratio Declining



BMD CPO Prices – Bearish Trend



Soybean Outlook

Good soybean planting pace in Argentina coupled with favorable weather. Planting reached 86% of the targeted area.

Brazil soybean planting is nearby completed. Weather in the initial phase was quite dry which impacted the early planted beans. Meanwhile, rains in the past week and forecast of rains in the coming week might remain provide some relief to the crop.

As per USDA, Argentina soybean crop is estimated at 48 MMT, 92% higher y-o-y.

Brazil soybean crop is estimated at 161 MMT, 1% higher y-o-y. However, market sources believe crop to be in the range of 150 – 158 MMT at this point of time.

Price Trend - Our technical indicator suggests CBOT soybean and soy oil would remain bearish for the short to medium term.

Global Soybean SnD

World Soybean SnD				
Attribute	2021-2022	2022-2023	2023-2024	Y-o-Y Change %
Beginning Stocks	100.3	98.0	101.9	4%
Production	360.4	374.4	398.9	7%
Imports	155.5	164.8	167.6	2%
Total Supply	616.2	637.2	668.5	5%
Exports	154.2	171.1	170.3	0%
Crush	314.5	313.4	329.5	5%
Food Usage	22.0	22.9	23.9	5%
Feed Usage	27.4	27.8	30.5	10%
Domestic Usage	364.0	364.1	384.0	5%
Ending Stocks	98.0	101.9	114.2	12%
Stock to Use Ratio	18.9%	19.0%	20.6%	

US Soybean SnD				
Attribute	2021-2022	2022-2023	2023-2024	Y-o-Y Change %
Beginning Stocks	7.0	7.5	7.3	-2%
Production	121.5	116.2	112.4	-3%
Imports	0.4	0.7	0.8	22%
Total Supply	129.0	124.4	120.5	-3%
Exports	58.6	54.2	47.8	-12%
Crush	60.0	60.2	62.6	4%
Feed Usage	2.9	2.6	3.5	31%
Domestic Usage	62.9	62.8	66.1	5%
Ending Stocks	7.5	7.3	6.7	-8%
Stock to Use Ratio	6.1%	6.2%	5.9%	

Global Soybean SnD

Brazil Soybean SnD				
Attribute	2021-2022	2022-2023	2023-2024	Y-o-Y Change %
Beginning Stocks	29.6	27.6	35.4	28%
Production	130.5	160.0	161.0	1%
Imports	0.5	0.2	0.5	192%
Total Supply	160.6	187.8	196.8	5%
Exports	79.1	95.5	99.5	4%
Crush	50.7	53.1	55.8	5%
Feed Usage	3.2	3.8	4.0	4%
Domestic Consumption	54.0	56.9	59.7	5%
Ending Stocks	27.6	35.4	37.6	6%
Stock to Use Ratio	20.7%	23.2%	23.6%	

Argentina Soybean SnD				
Attribute	2021-2022	2022-2023	2023-2024	Y-o-Y Change %
Beginning Stocks	25.1	23.9	17.2	-28%
Production	43.9	25.0	48.0	92%
Imports	3.8	9.1	5.7	-37%
Total Supply	72.8	58.0	70.9	22%
Exports	2.9	4.2	4.6	10%
Crush	38.8	30.3	34.5	14%
Feed Usage	7.2	6.3	7.3	16%
Domestic Consumption	46.0	36.6	41.8	14%
Ending Stocks	23.9	17.2	24.6	43%
Stock to Use Ratio	48.9%	42.2%	53.0%	

CBOT Soybean Prices – Bearish Trend



CBOT Soy Oil – Bearish Trend



Sun oil Outlook



Price Trend – Sun oil price trend is bearish for the short to medium term.



Production – Sun oil production across the major exporting nation of Argentina, Russia, Ukraine and EU would increase by 3% y-o-y at 18.55 MMT.



Trade – Sun oil exports in 2023-24 from the major exporting nations is estimated to decline by 2% y-o-y to 11.75 MMT .



Carry Over Stocks - The combined carryover stocks of major exporters in 2023-24 is estimated to increase by 17% y-o-y. The stock to use ratio would increase to 5.3% in 2023-24.

Sun Oil SnD

Argentina Sun oil SND				
Attribute	2021-22	2022-23	2023-24	Y-o-Y Change
Carry In	0.23	0.282	0.315	12%
Production	1.50	1.695	1.695	0%
Imports	0.00	0	0	
Total Supply	1.74	1.98	2.01	2%
Exports	0.87	1.00	1.00	0%
Industrial Usage	0.00	0.00	0.00	0%
Food Usage	0.57	0.65	0.67	3%
Feed Usage	0.01	0.01	0.01	0%
Domestic Consumption	0.58	0.66	0.68	3%
Ending Stocks	0.28	0.32	0.33	4%
Stock-to-Use	19%	19%	20%	

Russia Sun oil SND				
Attribute	2021-22	2022-23	2023-24	Y-o-Y Change
Beginning Stocks	0.05	0.43	0.32	-26%
Production	5.82	6.34	6.77	7%
Imports	0.00	0.00	0.00	0%
Total Supply	5.88	6.77	7.09	5%
Exports	3.2	4.1	4.3	6%
Industrial Usage	0.5	0.5	0.5	0%
Food Usage	1.8	1.9	1.9	3%
Feed Usage	0.1	0.1	0.1	20%
Domestic Consumption	2.3	2.4	2.5	3%
Ending Stocks	0.43	0.32	0.36	13%
Stock-to-Use	8%	5%	5%	

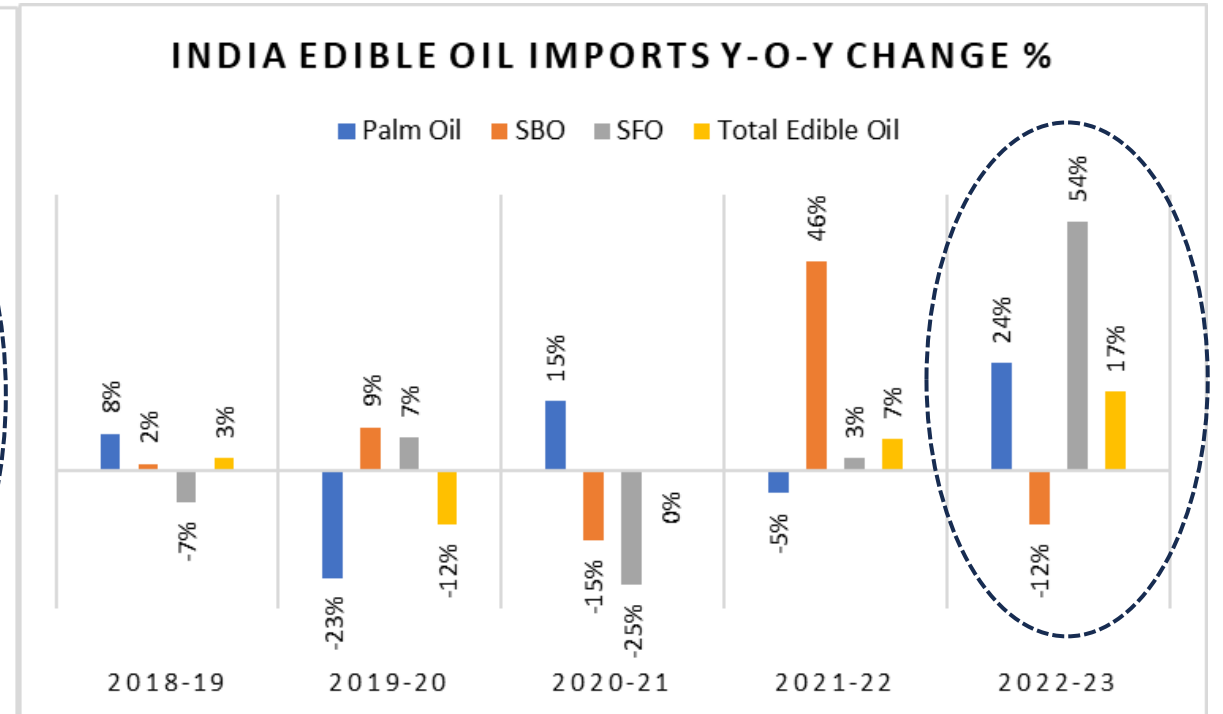
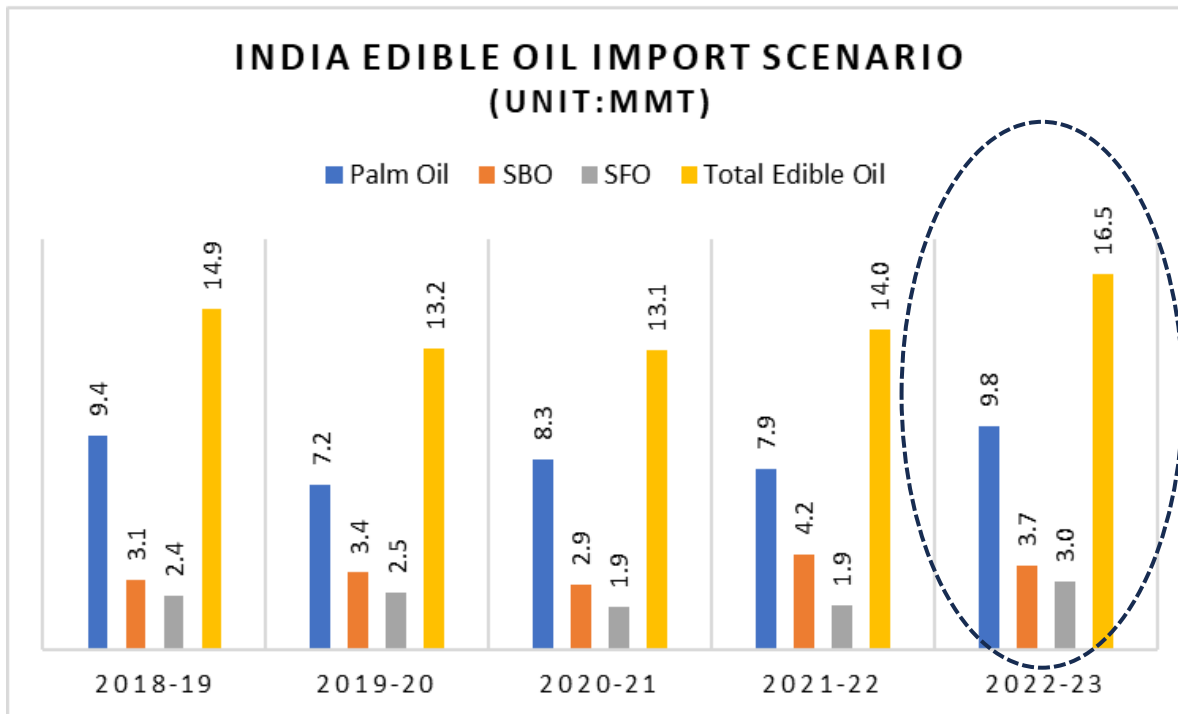
Ukraine Sun oil SND					Global Sun oil SND				
Attribute	2021-22	2022-23	2023-24	Y-o-Y Change	Attribute	2021-22	2022-23	2023-24	Y-o-Y Change
Beginning Stocks	0.28	0.04	0.04	-5%	Beginning Stocks	1.98	2.6	3.1	17%
Production	4.64	6.02	6.02	0%	Production	19.7	21.6	22.0	2%
Imports	0.00	0.00	0.00	-100%	Imports	9.7	12.4	12.2	-2%
Total Supply	4.92	6.07	6.06	0%	Total Supply	31.33	36.69	37.37	2%
Exports	4.47	5.68	5.60	-1%	Exports	11.1	14.1	13.8	-2%
Industrial Usage	0.02	0.02	0.02	0%	Industrial Usage	1.0	1.0	1.0	1%
Food Usage	0.40	0.33	0.35	8%	Food Usage	16.5	18.4	19.4	5%
Feed Usage	0.00	0.00	0.00		Feed Usage	0.1	0.1	0.1	20%
Domestic Consumption	0.42	0.34	0.37	7%	Domestic Consumption	17.6	19.5	20.5	5%
Ending Stocks	0.04	0.04	0.10	131%	Ending Stocks	2.65	3.10	3.01	-3%
Stock-to-Use	1%	1%	2%		Stock-to-Use	9%	9%	9%	

Major Sun oil Exporters SND

Major Sun oil Exporters SND (in MMT)				
Attribute	2021-22	2022-23	2023-24	Y-o-Y Change
Beginning Stocks	0.72	1.31	0.93	-29%
Production	16.36	18.07	18.55	3%
Imports	2.18	2.10	2.30	9%
Total Supply	19.26	21.48	21.78	1%
Exports	9.34	11.93	11.75	-2%
Industrial Usage	0.97	0.99	1.01	2%
Food Usage	7.57	7.55	7.85	4%
Feed Usage	0.07	0.07	0.08	14%
Domestic Consumption	8.61	8.62	8.94	4%
Ending Stocks	1.31	0.93	1.10	17%
Stock-to-Use	7.3%	4.6%	5.3%	

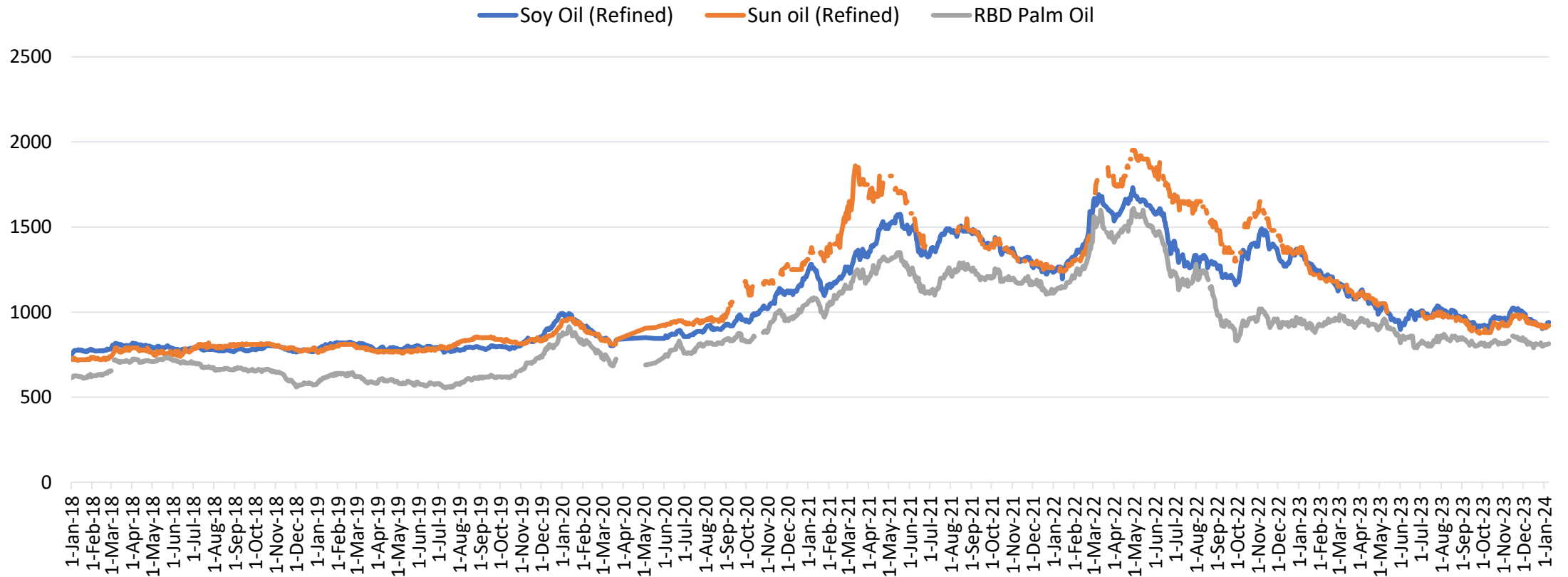
India Edible Oil Imports

- ✓ Total edible oil imports surged by an impressive 17% year-on-year, hitting a milestone at 16.5 MMT. 🚀
- ✓ Palm oil took a leading role, marking a noteworthy 24% increase year-on-year, reaching 9.8 MMT. 🌴
- ✓ Sun oil witnessed an outstanding 54% year-on-year increase, reaching 3 MMT. ☀️
- ! On the flip side, soy oil imports showed a 12% decline year-on-year, settling at 3.7 MMT. 📉



India Edible oil Prices

India Edible Oil Prices
(Rs./10 Kg)



India Outlook



Edible oil imports likely to increase in 2023-24 as the govt has extended the import duty reduction for edible oils till March 2025. Meanwhile, the bearish trend in international edible oil market would also increase the Indian imports.



The port and pipeline stocks as on 1st December 2023 was at 2.96 MMT down by 6% month-on-month.



Strengthening El Nino may impact also impact the mustard crop yields, though it is early to comment. Meanwhile, the outlook of India monsoon in 2024 seems gloomy at per Meteorology reports.



Any drop in domestic oilseed crop would boost the imports.

Thank You

