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Malaysia

Oilseeds and Products

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2003

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Report Highlights:

Malaysia's CPO production declined by 11.6 percent to 1.06 MMT in November 2003. Carry-over stock levels at the end of November rose to 920 TMT mainly due to the drop in PO exports. PO exports declined to 970 TMT in November. Average local CPO price dropped from US\$488/MT in November to US\$482/MT in December.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1]
[MY]

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Executive Summary

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production declined by 11.6 percent to 1.06 MMT in November 2003. Output in the Peninsula declined by 16.7 percent in November while East Malaysia's production is down 5.1 percent. Compared to November 2002, output during November 2003 was 0.4 percent lower. In view of lower CPO yields, Post has revised downward the CPO output for the Oct-Dec quarter.

Price

Declining PO exports and an increase in carry-in stocks influenced the slight drop in local PO prices in the month of December. The monthly average CPO price declined from US\$488/MT in November to US\$482/MT in December 2003. For comparison, the average CPO price for December 2002 was US\$428/MT. The RBD Palm Oil FOB average price stagnated at US\$501/MT in December.

Stocks

Despite of the decline in domestic CPO output, the sharp drop in PO exports resulted in the PO stock level expanding to 920 MMT at the end of November. With the anticipation of further decline in PO exports, Post expects carry-over stock levels to increase to around 970 TMT by the end of December.

Trade

Preliminary official PO exports dropped sharply from 1.2 MMT in October to 970 TMT in November.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY3058.

	Revised 2001/02	Prelim 2002/03	Forecast 2003/04
(1,000 tons)			
Beg Stock	1,216	1,149	975
Production	11,858	13,180	13,700
Imports	325	436	350
Total Supply	13,399	14,765	15,025
Exports	10,163	12,076	11,500
Domestic Use	2,087	1,714	2,425
Ending Stock	1,149	975	1,100

Quarterly Outlook for Palm Oil

	2002 1/	2003 2/	2003 1/	2004 1/
	Oct-Dec	Oct-Dec	Jan-Mar	Jan-Mar
	(1,000 tons)			
Beg Stocks 3/	1149	997	1136	970
Prod- Pen. Mal	1811	1771	1590	1655
- East Mal	1395	1527	1024	1245
- Total	3206	3298	2614	2900
Imports	139	140	147	150
Total Supply	4494	4413	3897	4020
Exports 4/	2925	3070	2504	2600
Dom Disap 5/	433	373	382	430
End Stocks	1136	970	1011	990

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate and all intra-Malaysia trade;

5/ residual

Production

	2002	2002	2003	2003
	Nov	Jan-Nov	Nov	Jan-Nov
(In 1,000 MT)				
CPO:				
Pen. Malaysia	598	6507	555	7289
East Malaysia	461	4477	500	4932
- Total /1	1059	10984	1055	12,221
Palm Kernel : Malaysia	281	3017	286	3317
Palm Kernel Oil: Malaysia	132	1356	128	1407
Palm Kernel Meal: Malaysia	155	1579	149	1749

1/ Revised

Prices

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Dec 2002	1627	438	454	396
Jan 2003	1654	437	459	395
Feb	1617	434	449	395
Mar	1503	410	421	372
Apr	1460	400	415	355
May	1480	402	424	339
Jun	1513	416	441	342
Jul	1500	414	442	338
Aug	1393	393	420	317
Sep	1439	400	427	320
Oct	1663	455	472	408
Nov 1/	1855	501	526	457
Dec (till 26)	1834	501	513	458

1/ Revised

Exchange Rate: Pegged at RM3.799 to US\$1.00 since 1998

Stocks

	2002	2003	2003	2003
	Nov	Sep	Oct 1/	Nov
(In 1,000 MT)				
Crude P. Oil	677	456	405	464
Processed PO	562	519	470	456
- Total PO	1239	975	875	920
Palm Kernel	131	115	103	109
P. Kernel Oil	316	223	203	168