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Malaysia

Oilseeds and Products

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2004

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Report Highlights:

Malaysia's CPO production rose by 11.1 percent to 940 TMT in March 2004. Carry-over levels at end of March also dropped to 953 TMT. PO exports rose to 940 TMT in February. Average local CPO price dropped from US\$538/MT in March to US\$520/MT in April

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 rose by 11.1 percent to 940 TMT in March 2004. Output in the Peninsula rose by 8.9 percent in March while East Malaysia's production increased 5.6 percent. Compared to March 2003, output during March 2004 was 4.6 percent lower. CPO output experienced a seasonal low production in January-March period and a turn-around is anticipated in April. Post expects CPO production to increase to 3.6 MMT during the Apr-Jun quarter.

Price

Local PO prices basically dropped in line with the global soy oil prices during the month of April. The monthly average CPO price dropped from US\$538/MT in March to US\$520/MT in April 2004. For comparison, the average CPO price for April 2003 was US\$384/MT. The RBD Palm Oil FOB average price also declined marginally from US\$544/MT in March to US\$541/MT in April.

Stocks

Stronger PO exports and domestic consumption resulted in the PO stock level dropping to 953 TMT at the end of March. Strong overseas demand is expected to consume much of the increase in CPO output in the Apr - Jun quarter. Post still expects a small increase in the carry-over stocks to around 1 MMT by the end of June.

Trade

Preliminary official PO exports rose from 900 TMT in February to 930 TMT in March.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY4013.

	Revised 2002/03	Prelim 2003/04	Forecast 2004/05
(1,000 tons)			
Beg Stock	1,149	975	900
Production	13,181	13,700	13,800
Imports	341	400	500
Total Supply	14,671	15,075	15,200
Exports	12,077	12,200	12,300
Domestic Use	1,619	1,975	1,900
Ending Stock	975	900	1,000

Quarterly Outlook for Palm Oil

	2003 1/	2004 1/	2003 1/	2004 1/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
	(1,000 tons)			
Beg Stocks 3/	1136	1165	1011	953
Prod- Pen. Mal	1590	1594	2151	2230
- East Mal	1024	1084	1331	1390
- Total	2614	2678	3482	3620
Imports	162	232	71	200
Total Supply	3912	4076	4564	4773
Exports 4/	2450	2740	3068	3350
Dom Disap 5/	451	383	501	423
End Stocks	1011	953	995	1000

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

	2003	2003	2004	2004
	Mar	Jan-Mar	Mar	Jan-Mar
(In 1,000 MT)				
CPO:				
Pen. Malaysia	621	1590	580	1594
East Malaysia	364	1024	360	1086
- Total /1	985	2614	940	2680
Palm Kernel : Malaysia	275	732	256	734
Palm Kernel Oil: Malaysia	119	336	121	349
Palm Kernel Meal: Malaysia	138	392	140	396

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
Apr 2003	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	1855	501	526	457
Dec	1829	501	513	458
Jan	1790	481	493	464
Feb	1917	513	529	468
Mar 1/	2046	544	557	484
Apr 2004(till 27)	1978	541	553	496

1/ Revised

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

Stock

	2003	2004	2004	2004
	Mar	Jan	Feb	Mar
(In 1,000 MT)				
Crude P. Oil	499	538	466	400
Processed PO	512	539	522	553
- Total PO	1011	1077	988	953
Palm Kernel	107	104	84	75
P. Kernel Oil	253	164	162	139