



LIPSA

February 2022

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2. External

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4. Sunflower oil (SFO)

5. Soybean oil (SBO)

6. Rapeseed oil (RSO)

1.1 EVOLUTION OF REFERENCE MARKETS

		31/01/2022	21/02/2022	Unidad	Dif	Dif %
Crude Palm Oil (May)	FOB MALASYA	5592	5675	MYR/ MT	83	1,5%
Crude Palm Oil (May)	CIF RDM	1420	1503	USD/ MT	83	5,8%
CCNO Phil/ Indo (May/ Jun)	CIF RDM	2075	2050	USD/ MT	-25	-1,2%
CPKO (May/ Jun)	CIF RDM	2300	2325	USD/ MT	25	1,1%
Crude Sunflower Oil (Abr/ May/ Jun)	FOB 6 PORTS	1510	1540	USD/ MT	30	2,0%
Crude Rape Oil (May/ Jun/ Jul)	FOB DUTCH MILL	1465	1445	€/MT	-20	-1,4%
Crude Soya Oil (May)	FOB ARGENTINA	1346	1464	USD/ MT	118	8,8%
EUR/ USD	SPOT	1,1233	1,1320		0,009	0,8%
USD/ MYR	SPOT	4,1840	4,1780		-0,006	-0,1%
Brent Crude	SPOT	89,26	95,9	US \$/ BRL	6,64	7,4%
Gas Oils	SPOT	796,25	830	US \$/ MT	33,75	4,2%

Vegetable oil prices continue to climb due to concerns about additional production losses in South America, some slowing down of Indonesian palm oil exports in the near term and the escalation of the conflict between Russia and Ukraine. Crude oil prices are above 95 US\$ per barrel.

Weather conditions in Brazil and Argentina as well as developments in palm oil main are main factors to watch in coming weeks.

SOURCES : REUTERS / OIL WORLD

1.2 EVOLUTION OF REFERENCE MARKETS



SOURCES : REUTERS

1.3 EVOLUTION OF REFERENCE MARKETS

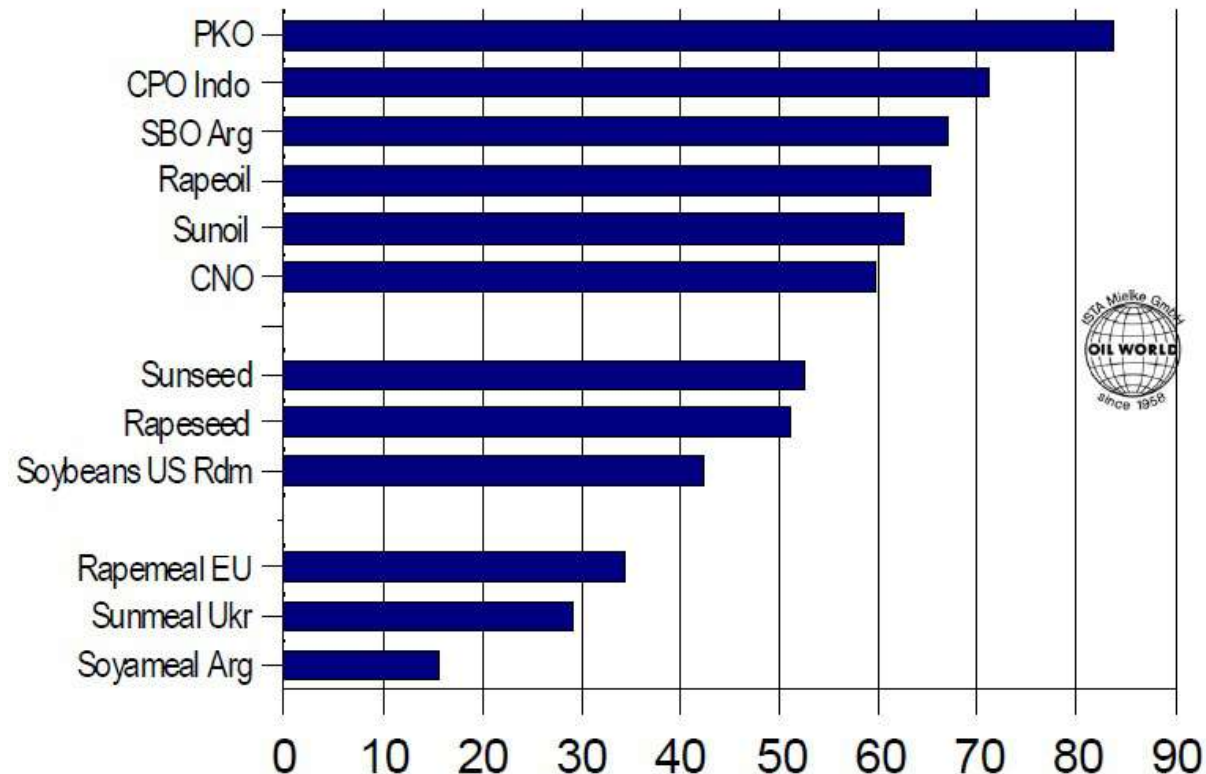


SOURCES : REUTERS

1.4 EVOLUTION OF REFERENCE MARKETS

Price Averages in Jan/Dec 2021

Year-on-year Change in %



Usually high vegetable oil prices.
Nerve-wracking.

Price of edible oils currently about double
the average 2015–2019.

Indo. CPO fob \$1470 on 3 Feb 2022
Mal. RBD olein \$1450 fob

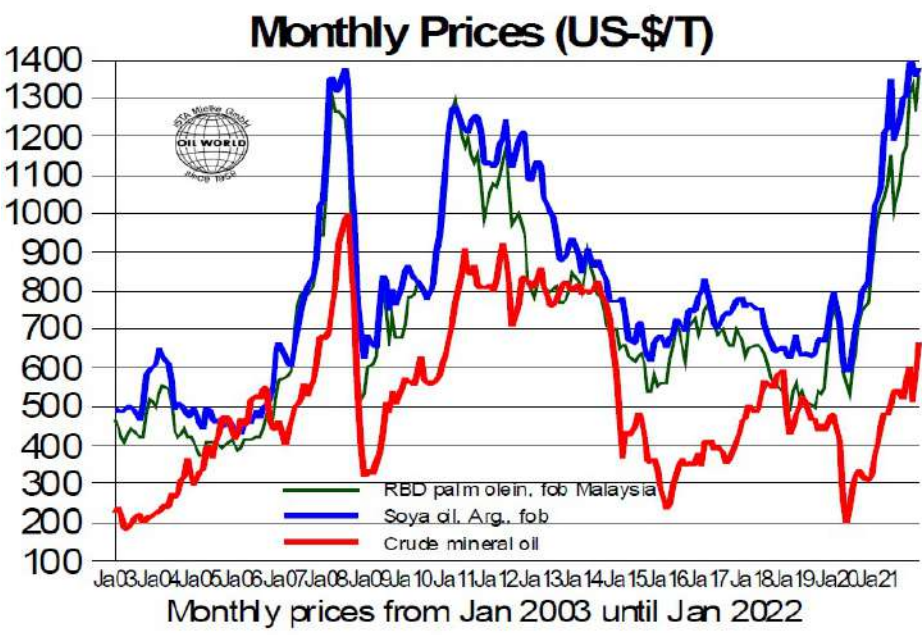
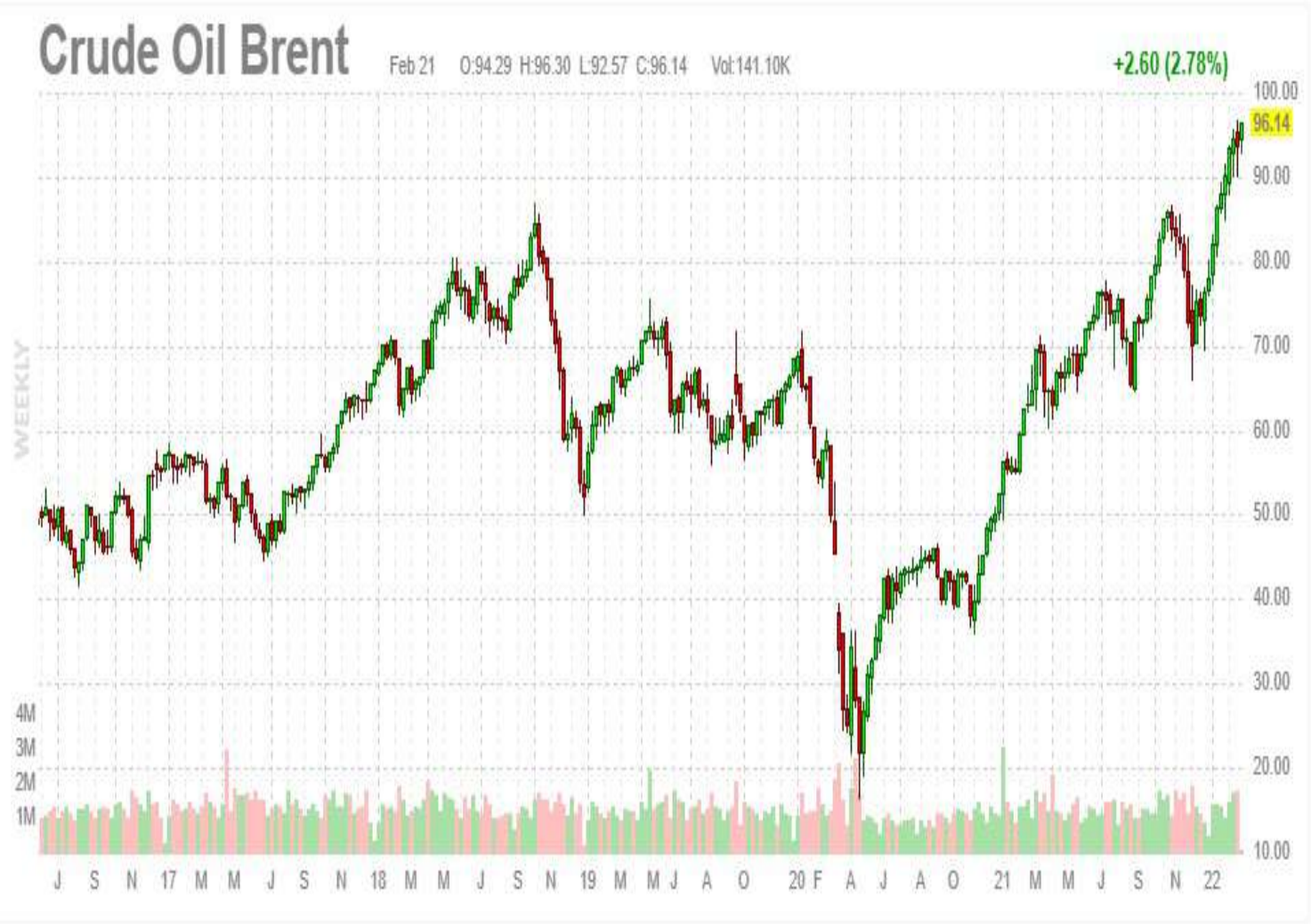
In Jan/Dec 2021, Indon. CPO averaged US-
\$1186; in 2020: 693, 2019: \$525

Global tightness in palm oil, sun oil, soya oil
and rapeseed/canola oils.

Veg oil stocks are still low in Feb 2022.

SOURCES : OIL WORLD

2. EXTERNAL



Crude oil reached a new 7-years high and settled at 95 US\$ per barrel in March contracts vs 78 US\$ at the beginning of 2022 and +46% vs one year ago.

Concerns about shortfalls in OPEC+ production and spare capacity.

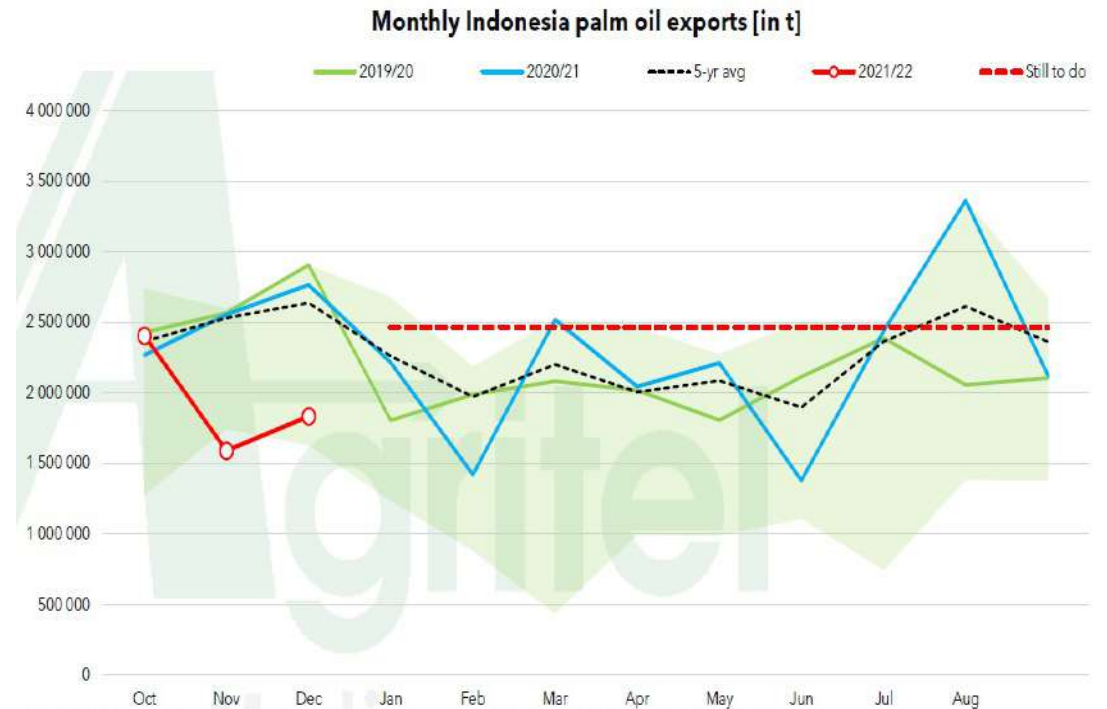
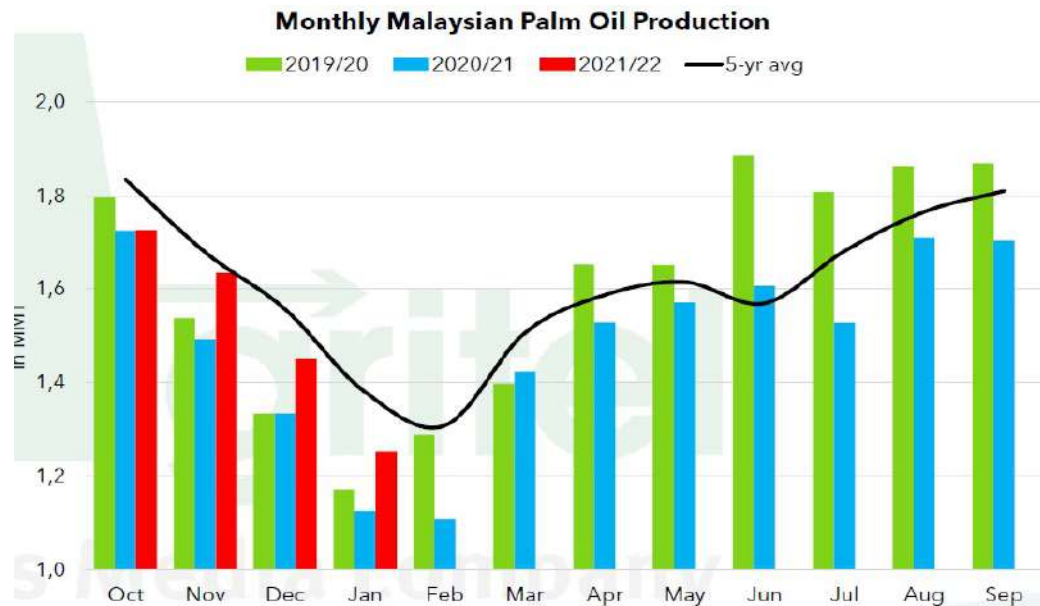
SOURCES: FUTURES FINVIZ / JP MPORGAN / REUTERS / OIL WORLD

3.1 PALM OIL (CPO)



Indonesian palm oil prices reached new highs, due to disruption of exports. Indonesian exports in Feb and March are falling below previous expectations.

Many exporters faces difficulties to fulfill Domestic Market Obligation imposed by government, which requires that 20% of the planned export volume must be sold to the domestic market at a fixed price.



Malaysia can offset partially due to low production and current low stocks. These export delays are likely to be temporary. However, at the moment insufficient shipments from Indonesia support prices.

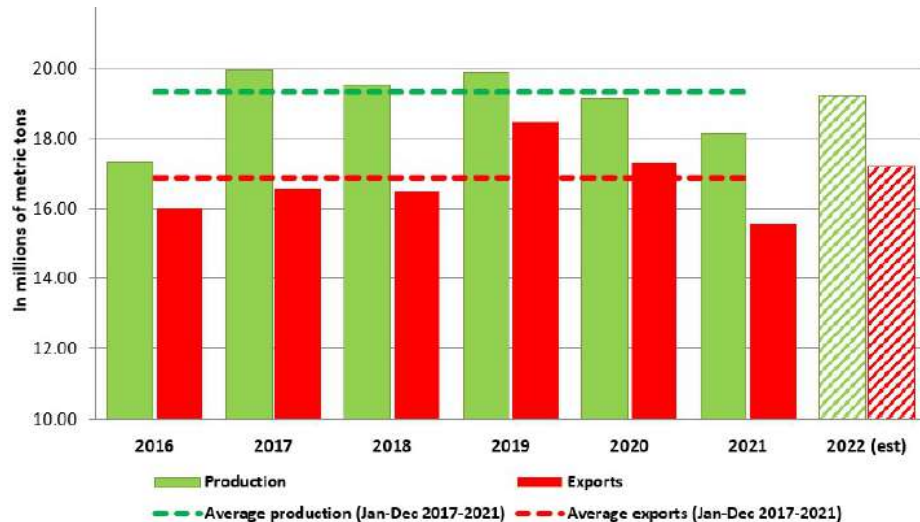
SOURCES: POA / MPOB / POA / AGRITEL

3.1 PALM OIL (CPO)



Malaysia 2021 CPO production ended within market expectation at 18.11 million tons or 5.35% below 2020, descending to the lowest in 5 years.

Labour shortage, reduced planted area, declining long term yield trends and adverse weather conditions all culminated to contribute to lower production in 2021.



MALAYSIA	2021	2022	% change
Carry forward	1.27	1.58	24.90
Production	18.11	19.20	6.02
Imports	1.17	1.00	-14.80
TOTAL SUPPLY	20.55	21.78	5.99
Exports	15.55	17.00	9.33
Domestic consumption	3.42	3.30	-3.51
Stocks	1.58	1.48	-6.51
TOTAL DEMAND	20.55	21.78	5.98

in million metric tons

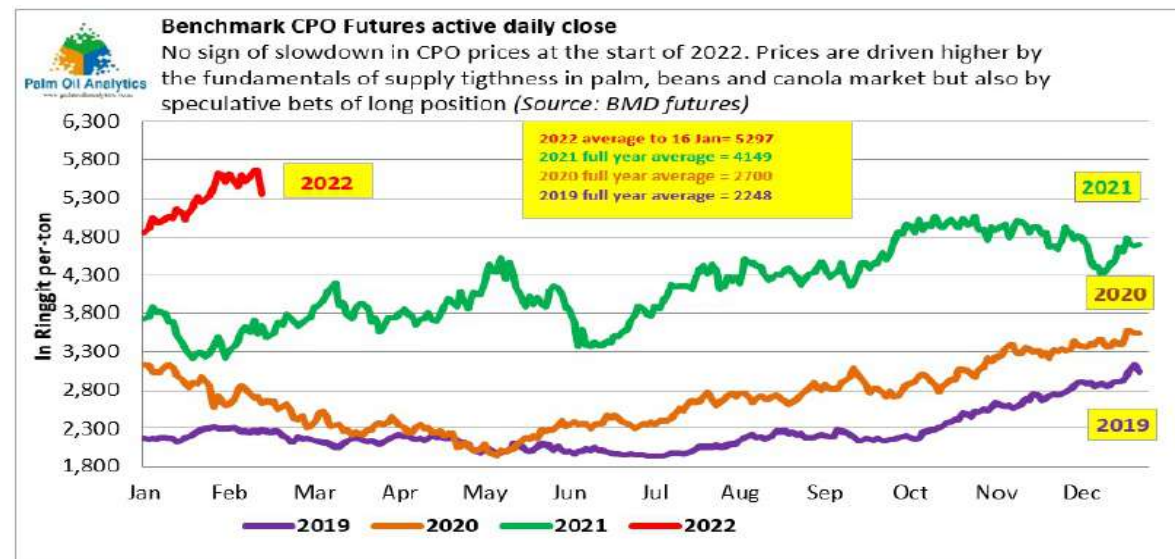
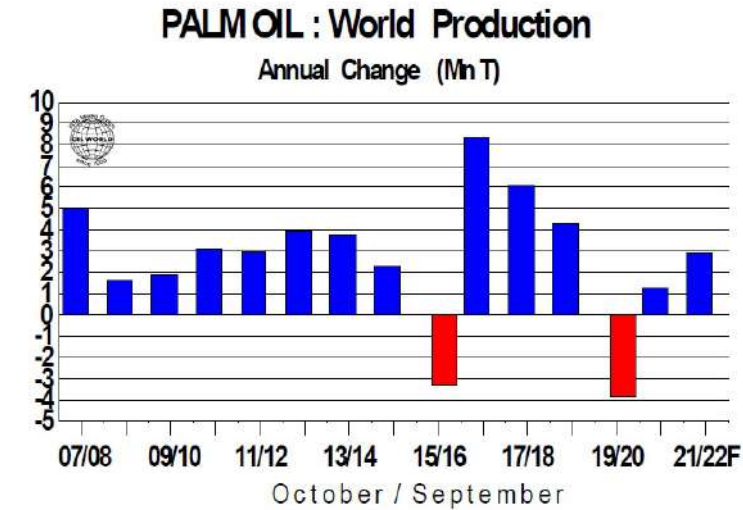
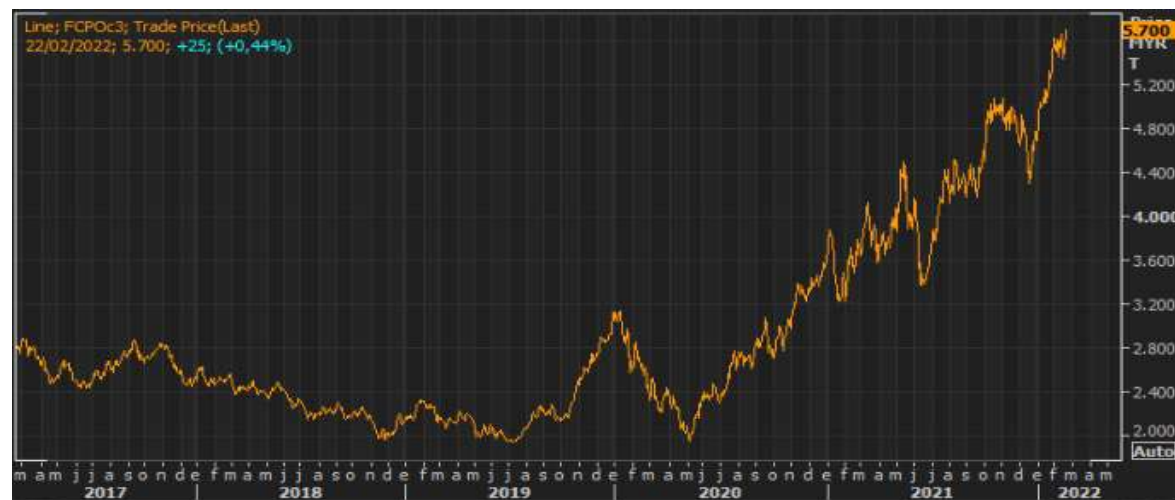
INDONESIA	2021	2022	% change
Carry forward	4.87	3.02	-37.99
Production	52.00	54.50	4.81
Imports	0.05	0.04	-20.00
TOTAL SUPPLY	56.92	57.56	1.12
Exports	35.50	36.00	1.41
Domestic consumption	18.40	18.50	0.54
Stocks	3.02	3.06	1.32
TOTAL DEMAND	56.92	57.56	1.12

in million metric tons

But production is widely expected to see a recovery in 2022 rising to 19.20 million tons or up 6% from 2021, by improving weather conditions particularly after March and the premise of increase in foreign labour supply in the harvesting sector from May onwards. Indonesian 2022 CPO production is expected at 54,5 Mts, +4,81 vs 2021.

SOURCES: POA / MPOB / POA / AGRITEL

3.2 PALM OIL (CPO)

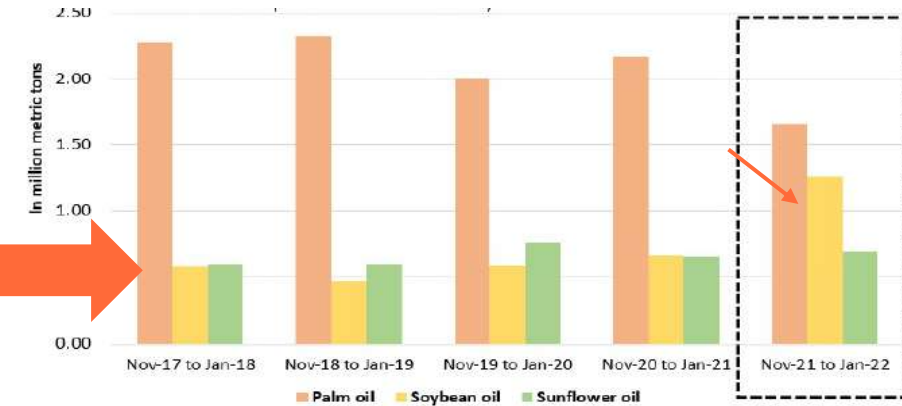
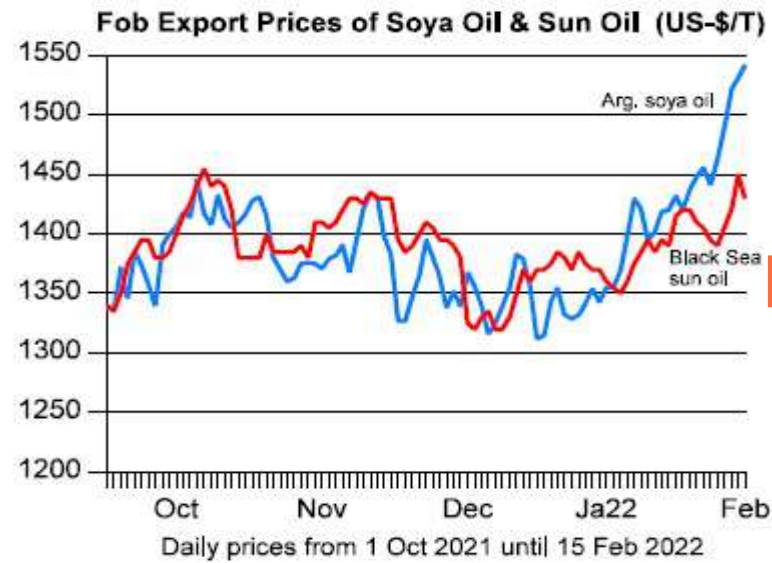
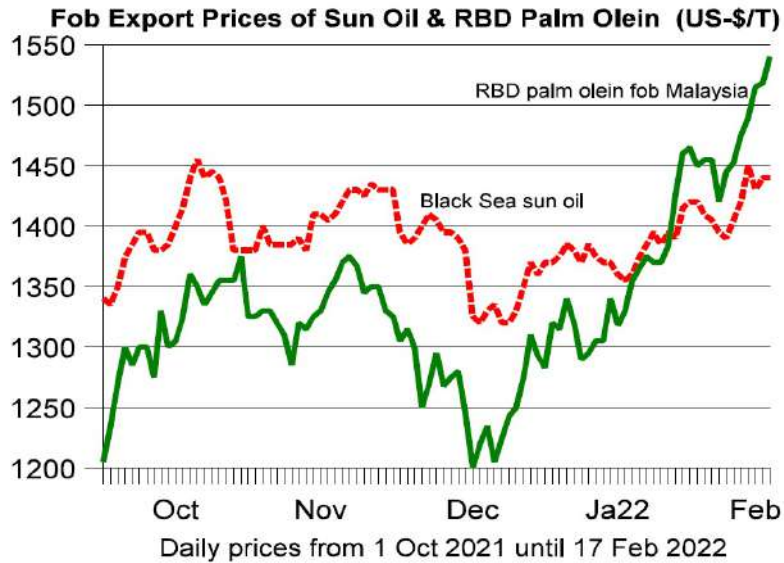


Many edible oil consumers have been under financial stress due to high prices. Also, many of them has been partially shifting palm oil demand into soya oil and sun oil in response to the relative high prices of palm oil. World production of palm oil has recovered by only 1.3 MnT in Oct/Sept 2020/21. Oil World expects an increase of 3.0 MnT in 21/22.

Prices are likely to remain historically high in the short term due to current tight situation. A correction of relative prices between CPO and SBO/SFO is likely to occur in medium term.

SOURCES: REUTERS / OIL WORLD / POA / BMD

4. SUNFLOWER OIL (SFO)



Sunflower oil has improved its competitiveness. SFO FOB Black Sea around 100 US\$ below SBO FOB Argentina, and approximately 80/90 US\$ below Malaysian RBD palm olein. This situation is unprecedented.

World import demand is increasing: India palm oil imports fall displaced by soft oils.

Egypt's GASC has bought 28.5k SFO and only 6k SBO in its last tender. Conflict between Russia and Ukraine is the other bullish aspect. We expect an increase of 7,2 Mts or 21% in sunflower seeds world supplies during Jan / Aug, this is the most important aspect in the bearish side.

HOSO Offers around 200 US\$ / MT.

GASC Officially announced Crude oils tender results for Arrival From 5- Apr-2022 to 25- Apr-2022

Supplier	QTY	type	price at sight
aston	5.5 k	Sun Oil	\$ 1,463.00
Agric	11 k	Sun Oil	\$ 1,463.00
Viterra	12 k	Sun Oil	\$ 1,463.00
Belluno	6 k	Soy Oil	\$ 1,567.00

SOURCES: OIL WORLD / ESAYTRADE / AGRITEL / POA / SEA / GASC

4. SUNFLOWER OIL (SFO)



We maintain our position on sunflower oil prices

OUR OPINION: The geopolitical uncertainties in the Black Sea, coupled with the sustained demand for sunflower oil, are contributing to the firmness of prices. However, the high supplies limit the market's potential for growth.

For the 2022 crop, operators will pay attention to the significant increase of the surfaces expected in the Black Sea and in Europe.



- Geo-political tensions in the Black Sea support prices
- The sunflower oil demand remains very strong thanks to its competitiveness



- The high availability limits the market's upside potential
- Significant increase of the surfaces expected in the Black Sea and in Europe

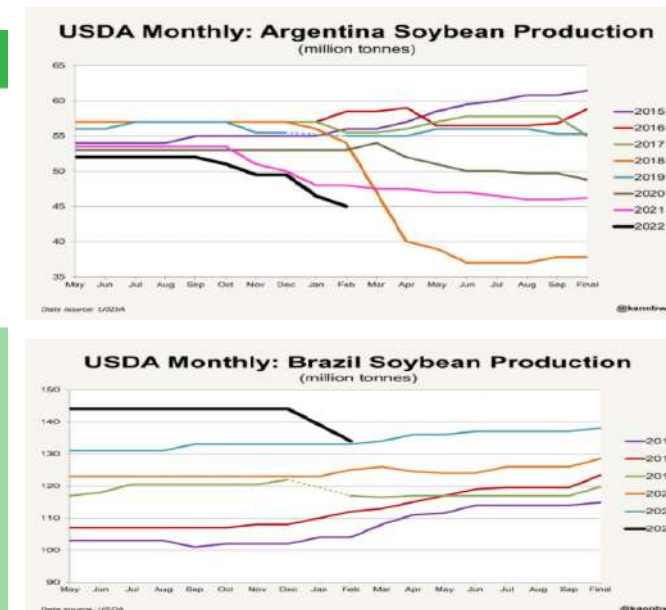
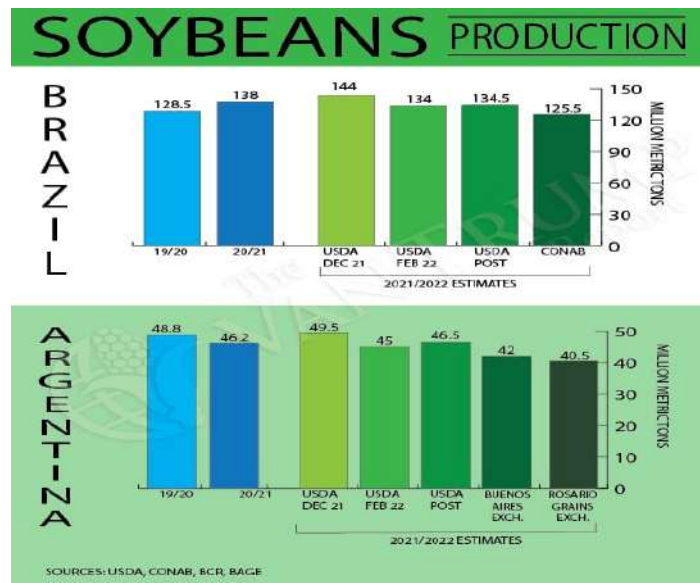


SOURCES: OIL WORLD / ESAYTRADE / AGRITEL / POA / SEA / GASC

5. SOYBEAN OIL (SBO)



SOUTH AMERICA: Soybean Area (Mn ha) & Crop (Mn T)					
Harvest Area	21/22F	20/21	19/20	18/19	17/18
Argentina	15.50*	16.04*	16.40*	16.58	16.32
Brazil	43.30*	41.40*	38.77*	37.38*	36.30*
Paraguay	3.66*	3.63*	3.63	3.57	3.45*
Uruguay	.97*	.93*	.91	1.03*	1.10
Total	63.43*	62.00	59.71	58.55	57.17
Yields (T/ha)					
Argentina	2.61*	2.73*	3.01*	3.28*	2.13*
Brazil	2.93*	3.35*	3.32*	3.26*	3.40*
Paraguay	1.45*	2.63*	2.82	2.39	2.88*
Uruguay	2.37*	1.99*	2.48*	2.90*	1.37*
Total	2.76*	3.13	3.19	3.20	2.97
Crop (Mn T)					
Argentina	40.50*	43.80*	49.40*	54.30*	34.80*
Brazil	127.00*	138.80*	128.60*	121.80*	123.26
Paraguay	5.30*	9.54*	10.24	8.52	9.95*
Uruguay	2.30*	1.85*	2.25*	2.98*	1.50*
Total	175.10*	193.99	190.49	187.60	169.51



Drought and heat continued in southern Brazil (Parana, Rio Grande do Sul and Mato Grosso do Sul), Paraguay and several regions of Argentina. Current estimations as follow:

- Brazil: 127.0 Mts (CONAB 125.5) vs 144.2 Mts (December)
- Argentina: 40,5 Mts (BCR 40.5) vs 45.0 Mts (December)
- Paraguay: 5.3 Mts (CAPECO 4.0) vs 10.2 Mts previous month (December)

Additional damage will occur in southern Brazil, if it remains dry in the next 10-15 days. Harvest is 25.6% done. Paraguay (usually the No.4 exporter of raw soybean) expects it may have to import this year. In Argentina, weather conditions have been not favourable in several part and forecast point to high temperatures and insufficient rains in central and northern regions of the country. Insufficient South American supplies will raise dependence of US soybean, and a record US soybean crop is required.

SOURCES: OIL WORLD / USDA / CONAB / SAFRAS / BCR / BAGE / HEDGE POINT / K VAN TRUMP / K BRAUN

5. SOYBEAN OIL (SBO)

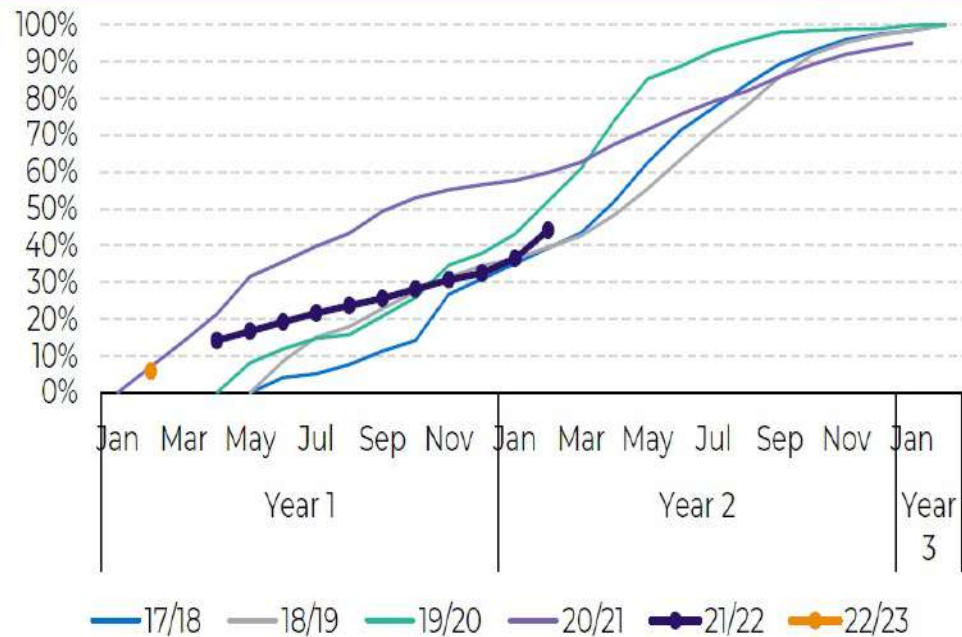


Farmer selling is very slow. However, the magnitude of Chinese soybean imports will be an important swing factor to watch.

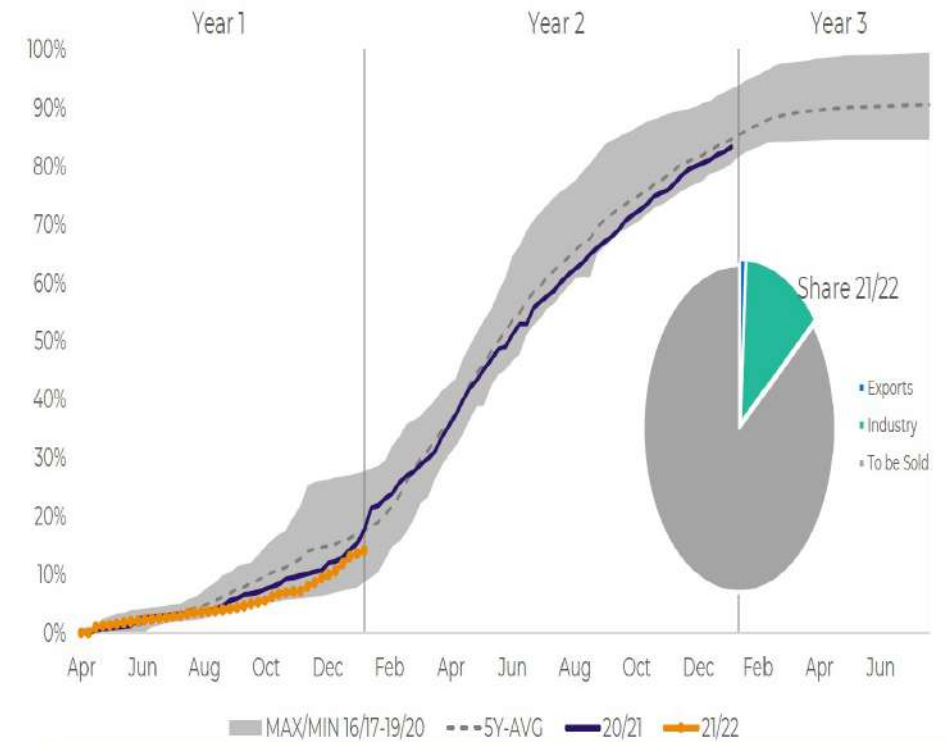


National Level

FARMER SALES



Source: Safras, Conab



Source: ARG Sec of Agriculture/HedgePoint Global Markets

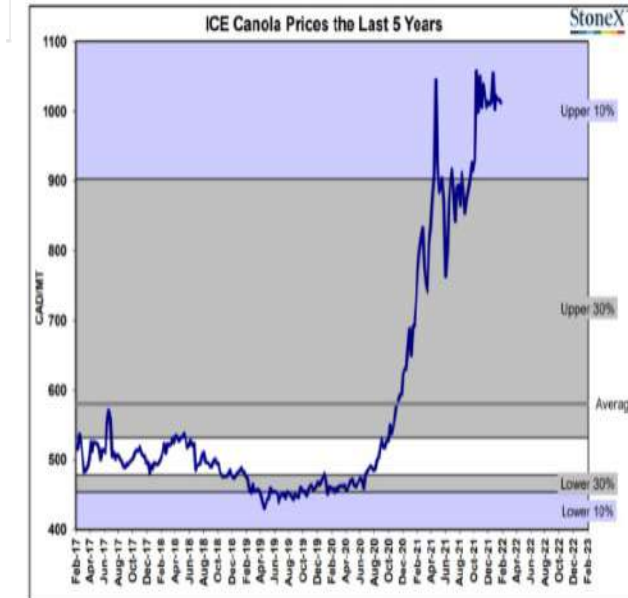
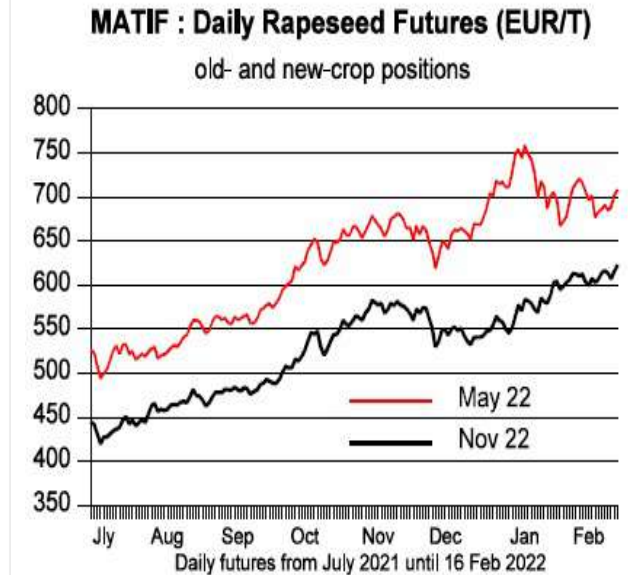
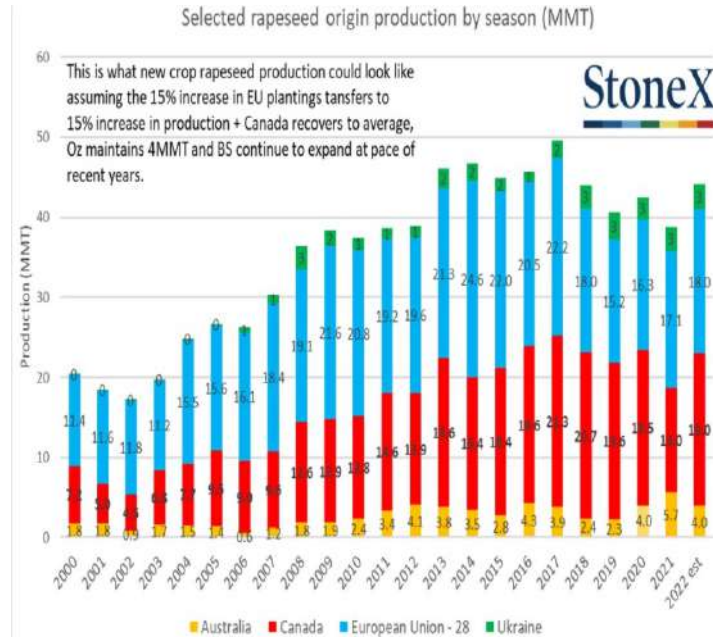
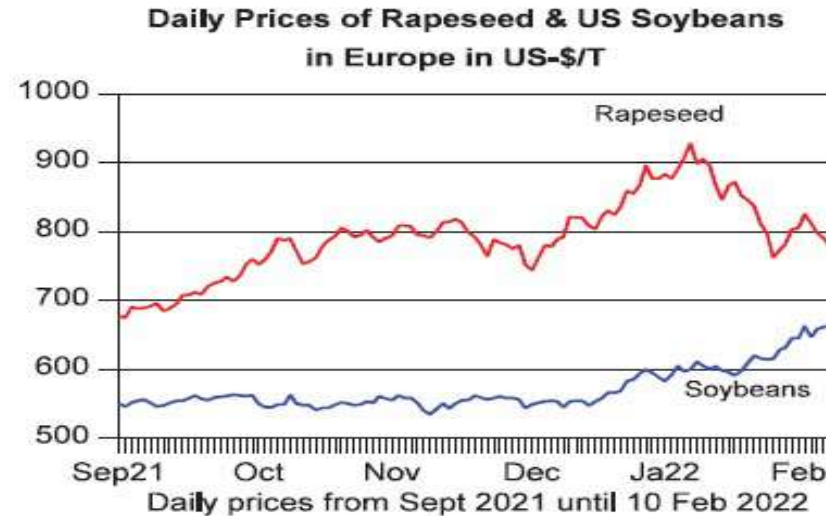
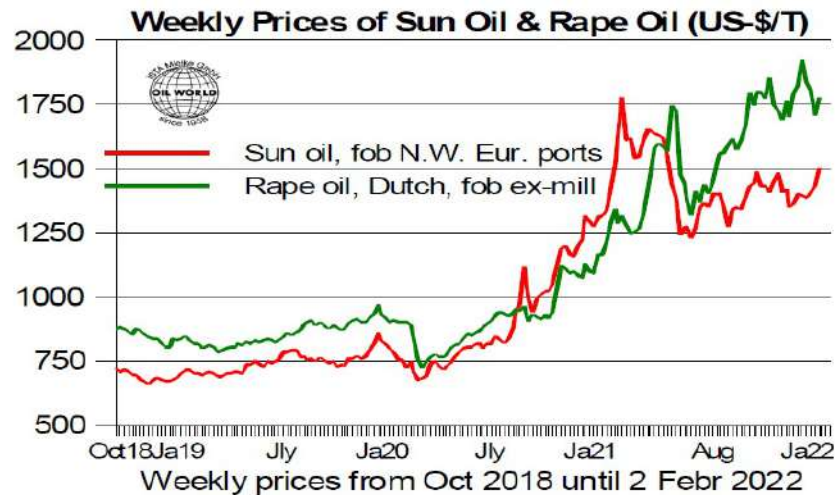
SOURCES: OIL WORLD / USDA / CONAB / SAFRAS / BCR / BAGE / HEDGE POINT / K VAN TRUMP / K BRAUN

6. RAPESEED OIL (RSO)

Spread between RSO and other oils have reduced. As we have commented, analysts expect an increase in world area for next year.

In EU, according to Oil World the significant increase in winter rapeseed sowings (+18%, mainly in France) is setting the stage for a further increase of EU production 1,6 Mts.

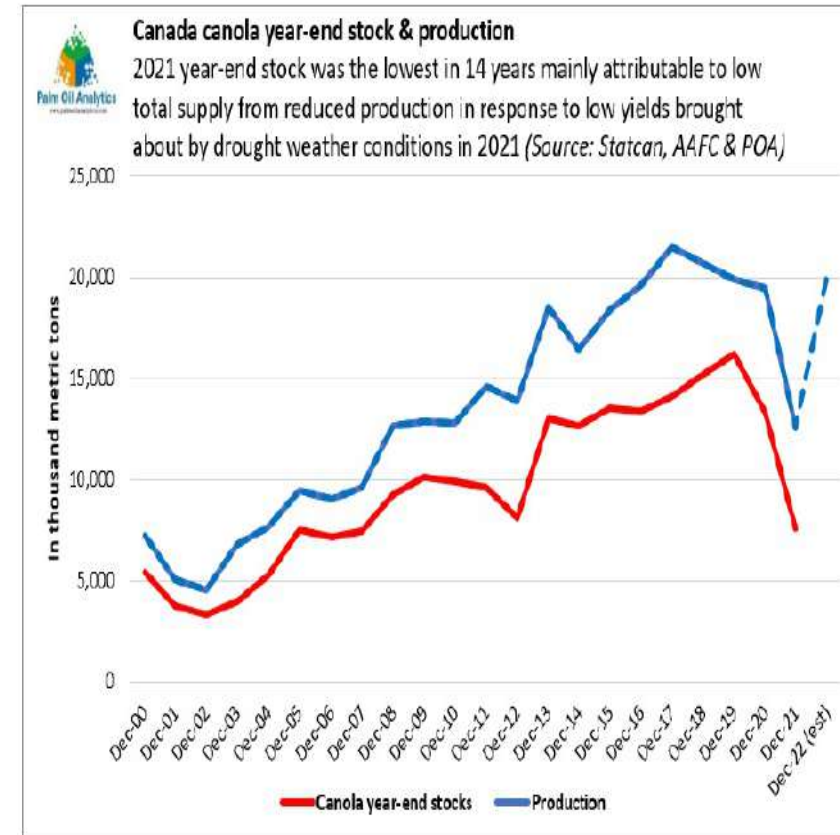
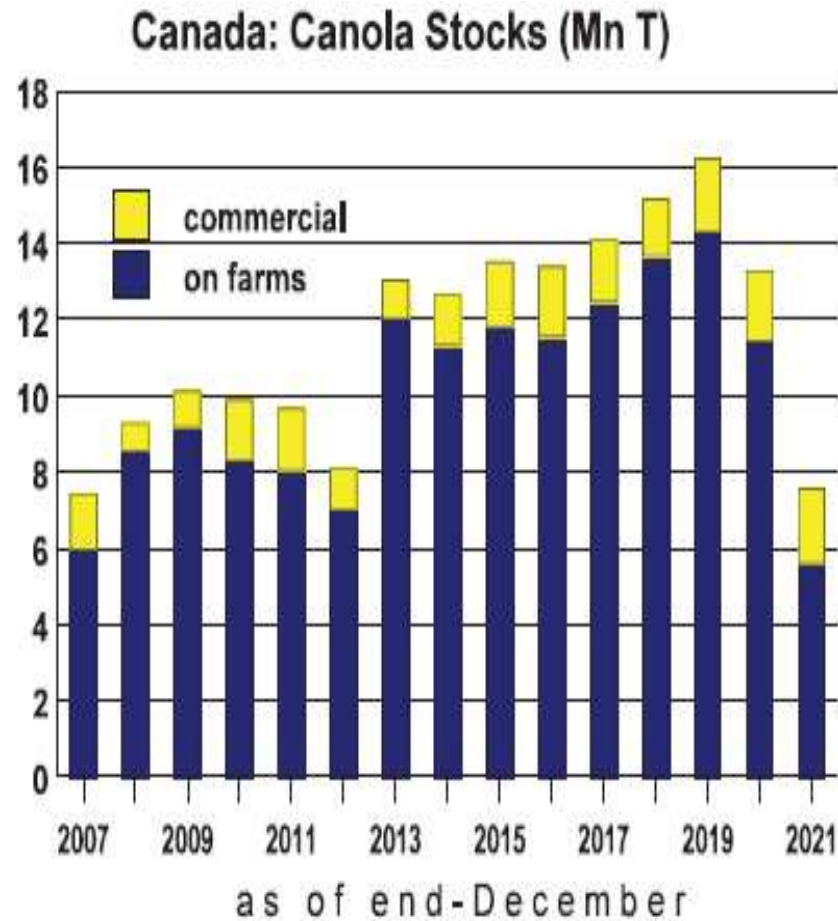
As a result, we are seeing a large premium of nearby vs new crop positions.



SOURCES: STONEX / OIL WORL / REUTERS / POA

6. RAPESEED OIL (RSO)

Apart from expected increased in EU production, larger crop are also expected in Ukraine and Canada, replenishing current tight situation.



SOURCES: STONEX / OIL WORL / REUTERS / POA



A WORLD OF VEGETABLE OILS

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