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Malaysia

Oilseeds and Products

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Report Highlights:

Malaysia's crude palm oil (CPO) production rose 7.2 percent to 1.0 MMT in April 2004. Carry-over levels at the end of April also rose to 1.0 MMT. Palm oil exports rose to 950 TMT in April. The average local CPO price dropped from US\$521/MT in April to US\$483/MT in May.

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 7.1 percent to 1.0 MMT in April 2004. Output in the Peninsula increased by 3.5 percent while East Malaysia's production rose 13 percent. Compared to April 2003, output during April 2004 was 7.6 percent lower. CPO output experienced a seasonal low production in January-March period and a turn-around is anticipated in April. Post still 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 May. The monthly average CPO price dropped from US\$521/MT in April to US\$483/MT in May 2004. For comparison, the average CPO price for May 2003 was US\$389/MT. The Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also declined marginally from US\$540/MT in April to US\$503/MT in May.

Stocks

A strong increase in PO production and weaker domestic consumption resulted in the PO stock level rising to 1.0 MMT at the end of April. Strong overseas demand is expected to consume much of the increase in CPO output in the Apr - Jun quarter. Post 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 930 TMT in March to 950 TMT in April.

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	2004
	Apr	Jan-Apr	Mar 1/	Apr	Jan-Apr
(In 1,000 MT)					
CPO:					
Pen. Malaysia	681	2271	580	600	2194
East Malaysia	409	1433	361	408	1495
- Total /1	1090	3704	941	1008	3689
Palm Kernel : Malaysia	304	1036	256	269	1003
Palm Kernel Oil: Malaysia	131	740	121	116	465
Palm Kernel Meal: Malaysia	153	545	140	135	531

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
May 2003	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	2046	544	557	484
Apr 1/	1979	540	552	496
May 2004(till 31 st)	1835	503	520	477

1/ Revised

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

Stock

	2003	2004	2004	2004
	Apr	Feb	Mar 1/	Apr
(In 1,000 MT)				
Crude P. Oil	473	466	400	442
Processed PO	503	522	558	560
- Total PO	976	988	958	1002
Palm Kernel	118	84	75	87
P. Kernel Oil	257	162	135	148

1/ Revised