



Voluntary Report - public distribution

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GAIN Report #MY8055

Malaysia

Oilseeds and Products

Palm Oil & Products Update (August)

1998

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Report Highlights:

Includes PSD changes: No
Includes Trade Matrix: No
Trade Report
Kuala Lumpur [MY1], MY

SUMMARY:**Production**

The Malaysian Palm Oil Registration and Licensing Authority (PORLA) reports total crude palm oil (CPO) production rose 10 percent to 772 TMT for the month of July- mainly due to the seasonal uptrend in production. Output in the Peninsula increased by 10.6 percent while East Malaysia recorded a 9 percent jump. Compared to July 1997, output during July 1998 was down 7.3 percent. As for August, CPO output is expected to increase by 6-10 percent.

Price

Local CPO prices rose from RM2485/MT at the beginning of August to peak at RM2,535/MT on July 26th. Buying interests from India and Pakistan have influenced the uptrend in CPO prices which should remain high for the rest of the month. The average August CPO price rose to RM2,432/MT compared to RM2,482/MT in July while RBD Palm Oil FOB average price rose from US\$612/MT in July to US\$626/ton in August.

Stocks

Official preliminary July carry-out stocks rose 7 percent to 742 TMT. However, Agatt Office estimates the stock level to be closer to 634 TMT. A surge in overseas demand is likely to keep a lid on the stock level over the next couple of months.

Trade

Preliminary July exports amounted to 630 TMT compared to 570 TMT in June.

ANNUAL SITUATION (OCT/SEP):

PS&Ds for palm oil remain unchanged since the submission of MY8052.

	Revised 1996/97	Prelim 1997/98	Forecast 1998/99
(1,000 tons)			
Beg Stock	894	907	647
Production	9,005	8,450	8,750
Imports	10	40	20
Total Supply	9,909	9,397	9,417
Exports	7,544	7,350	7,250
Domestic Use	1,458	1,400	1,500
Ending Stock	907	647	667

QUARTERLY OUTLOOK:

	1997 1/	1998 2/	1997 1/	1998 1/
	Apr-Jun	Apr-Jun	Jul-Sep	Jul-Sep
(1,000 MT)				
Beg Stocks 3/	692	540	790	580
Prod-East Mal	584	529	607	660
- Pen. Mal	1735	1432	1953	1770
- Total	2322	1961	2629	2430
Imports	0	20	6	12
Total Supply	3011	2521	3425	3022
Exports 4/	1814	1650	2069	2015
Dom Disap 5/	407	291	449	360
End Stocks	790	580	907	647

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:

	1997	1997	1998	1998
	July	Jan-July	July	Jan-July
(In 1,000 MT)				
CPO:				
Pen. Malaysia	639	3676	556	3234
East Malaysia	194	1242	216	1213
- Total 1/	833	4918	772	4447
Palm Kernel : Malaysia	245	1435	219	1311
Palm Kernel Oil: Malaysia	105	628	93	591
Palm Kernel Meal: Malaysia	129	777	109	715

1/ Totals may not add due to rounding differences.
Includes some revisions in previous months.

2/ 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
Sep 1997	1389	492	528	353
Oct	1669	517	544	423
Nov	1671	520	540	469
Dec	1849	531	534	479
Jan 1998	2404	564	576	545
Feb	2312	604	619	569
Mar	2262	623	648	517
Apr	2362	639	678	539
May	2499	694	720	567
Jun	2350	621	644	532
Jul 1/	2432	612	653	465
Aug (till 26th)	2482	626	676	445

1/ revised

Exchange Rate (Aug 28, 1998): US\$1.00 = M\$4.195

STOCKS:

	1997	1997	1998	1998
	June	July	June	July
(In 1,000 MT)				
Crude P. Oil	405	426	324	349
Processed PO	385	344	371	393
- Total PO	790	770	695 1/	742 1/
Palm Kernel	80	88	62	75
P. Kernel Oil	107	126	124	122

1/ Agatt Office estimate: 580 TMT for June and 634 TMT for July.