

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Malaysia

LOCK-UP REPORT

Update (September)

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Report Highlights:

Malaysia's crude palm oil (CPO) production rose marginally to 1.5 MMT in August. PO exports dropped 9 percent to 1.3 MMT in August, resulting in a higher carry-out stock. In line with a softer global oilseed market, the monthly average delivered CPO price declined to RM2,233/MT in September.

Post:

Kuala Lumpur

Executive Summary:

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose marginally to 1.5 MMT in August 2009. Peninsular Malaysia's production dropped 6 percent while East Malaysia's output rose 11 percent. Compared to August 2008, output during August 2009 was 6.5 percent lower. The palms are still experiencing a seasonal uptrend in output phase albeit a much lower pace. Post now expects CPO output to be about 4.6 TMT during Jul-Sep quarter.

Price

Faced with a softer global oilseed market, the monthly average delivered CPO price declined from RM2,412/MT in August to RM2,233/MT in September. For comparison, the average CPO price for September 2008 was RM2,350/MT. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also declined from US\$707/MT in August to US\$674/MT in September.

Stocks

The drop in PO exports resulted in a higher stock level at the end of August. However, the smaller-than-expected CPO output for the Jul-Sep period will push the stock level to around 1.6 MMT by the end of September.

Trade

A preliminary official report shows PO exports declined by 9.6 percent to 1.3 MMT in August. Cargo surveyor Societe Generale reported Malaysian palm oil exports dropped 3.7 percent to 964,000 TMT during September 1-25 compared to the corresponding period in August.

Exchange Rate: RM3.525 (Jul 31, 2009); RM3.519 (Aug 28, 2009); RM3.476 (Sep 28, 2009)

Other Relevant Reports

Oilseeds & Products Annual (AGR Number MY9008)

<http://www.fas.usda.gov/gainfiles/200903/146337529.doc>

Oilseeds & Products: Lock-up Report September 2009 (ARG Number MY9030)

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/LOCK-UP%20REPORT_Kuala%20Lumpur_Malaysia_7-31-2009.pdf

Author Defined:**Annual Situation**

Changes in the PS&D table reflect a reduction for CPO production and domestic use for 2008/09 which resulted in a drop in ending stocks.

	Revised 2007/08	Prelim 2008/09	Forecast 2009/10
(1,000 MT)			
Beg Stock	1,462	1,951	1,580
Production	17,567	17,270	18,200
Imports	462	820	700
Total Supply	19,491	20,041	20,480
Exports	14,644	16,050	15,880
Domestic Use	2,896	2,411	3,000
Ending Stock	1,951	1,580	1,600

Quarterly Production for Palm Oil

	2008 1/	2009 2/	2008 1/	2009 2/
	Apr- Jun	Apr- Jun	Jul- Sep	Jul- Sep
(1,000 MT)				
Beg Stocks	1,825	1,366	2,034	1,408

3/				
Prod- Pen. Mal	2,432	2,467	2,709	2,797
- East Mal	1,823	1,660	2,029	1,760
- Total	4,255	4,127	4,738	4,557
Imports	139	241	78	300
Total Supply	6,219	5,736	6,850	6,265
Exports 4/	3,663	3,830	3,899	4,050
Dom Disap 5/	552	496	1,000	635
End Stocks	2,034	1,408	1,951	1,580

1/ Revised;

2/ Forecast;

3/ Stocks include crude and refined for all Malaysia;

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

5/ Residual

Production

	2008	2008	2008	2009	2008	2009
	Jul	Aug	Jan- Aug	Jul	Aug	Jan- Aug
(1000 MT)						
CPO:						
Pen. Malaysia	907	927	6,571	946	889	6,494

East Malaysia	653	673	4,790	546	606	4,411
- Total /1	1,560	1,600	11,361	1,492	1,495	10,905
Palm Kernel: Malaysia	402	406	2,932	382	373	2,814
Palm Kernel Oil: Malaysia	168	189	1,363	178	176	1,325
Palm Kernel Meal: Malaysia	186	210	1,510	197	195	1,465

1/ Revised

Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Sep 2008	2,350	743	768	598
Oct	1,752	538	580	422
Nov	1,528	483	512	347
Dec	1,562	489	526	331
Jan 2009	1,842	575	609	438
Feb	1,898	583	600	430

Mar	2,027	577	613	446
Apr	2,402	679	744	576
May	2,744	820	832	754
Jun	2,445	742	741	706
Jul	2,115	623	646	576
Aug 2/	2,412	707	729	652
Sep (till 29)	2,233	674	688	636

1/ Prices are for West Malaysia only (since October 2006),

2/ Revised

Exchange Rate: RM3.525 (Jul 31, 2009); RM3.519 (Aug 28, 2009); RM3.476 (Sep 28, 2009)

Stocks

	2008	2008	2009	2009	2009	2009
	Jul	Aug	May	Jun 1/	Jul 1/	Aug
(1,000 MT)						
Crude P. Oil	1,050	1,020	724	723	657	685
Processed PO	927	829	647	687	675	730
- Total PO	1,977	1,849	1,371	1,410	1,332	1,415
Palm	157	156	105	107	106	102

Kernel						
P. Kernel Oil	273	300	270	268	266	271

1/ Revised