

1. Palm Oil Prices

- The week of 23-27 Aug saw palm oil price ended lower due to firm Ringgit, lower export volume, lower crude mineral oil price and expected high CPO production. The firm Ringgit during the week continue to see refiners staying sideline on the expectation that the refining margin will improve once if CPO price decline.
- Continue poor export volume for the up-to-date period in August also serves as another bearish factor lowering the CPO price during the week. According to SGS, export of palm products for 1-25 Aug was down by 14.9% vis-à-vis volume recorded on the corresponding period in July. This is partly caused by the slowdown in palm oil import from Pakistan and China as both countries have basically covered their needs for the upcoming festive celebrations. At the same time, the production of CPO in Malaysia has been forecasted to increase tremendously in August as MPOA has reported an 8.6% jump in CPO production among the members for the first 20 days in August.
- Volatile crude mineral oil market also caused uncertainty among the oils & fats players as its price fluctuated between US\$71 and US\$74 per barrel during the week. The fluctuation was basically led by the different report figure of US crude mineral oil stock being reported. As a result of above development, average CPO price dipped for second consecutive week by almost 2% to RM2,698.50.

Date	Local Price (RM/MT)		Export Prices (US\$/MT)		
	CPO	CPKO	RBD PO	RBD PL	RBD PS
Previous week	2,752.90	3,584.90	939.50	925.13	870.00
23-Aug	2,726.00	3,539.00	NT	NT	NT
24-Aug	2,717.50	3,494.00	NT	NT	NT
25-Aug	2,680.50	3,488.00	918.00	NT	866.50
26-Aug	2,675.00	3,503.00	NT	NT	NT
27-Aug	2,693.50	NT	NT	NT	NT
Average	2,698.50	3,506.00	918.00	NT	866.50

Source: MPOB

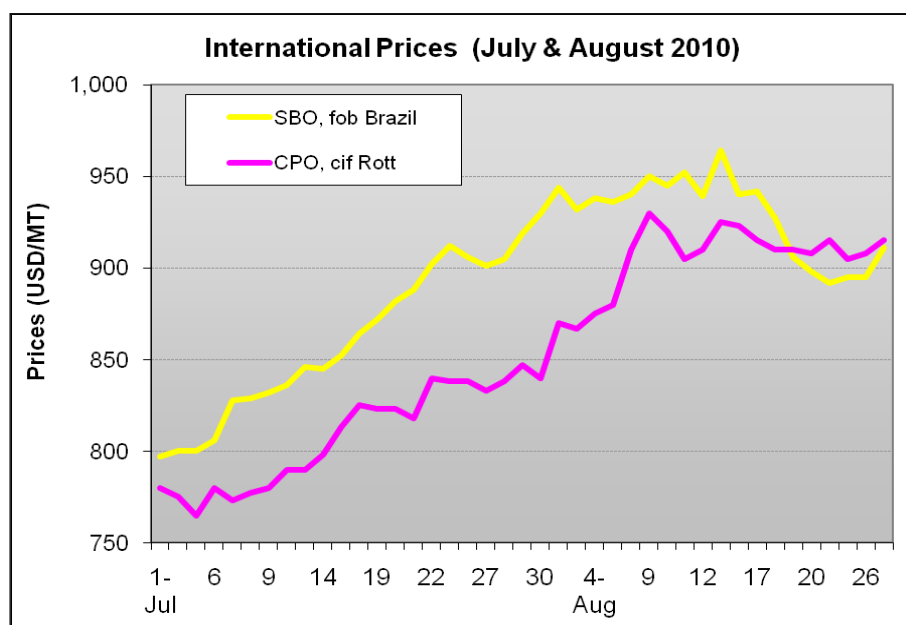
2. International Prices

- The soybean production in US which is ahead of schedule due to favourable weather condition has extended its pressure on the price of this vegetable oil at the early of the week. However, the decline was limited and recovered marginally riding on the increase in rapeseed oil price and also the possible smaller soybean crop prospects in Brazil and Argentina. As a result, SBO (fob, Bra) average price declined from US\$923 to US\$896 per MT.

- Similarly, CPO price in the international market also saw the same pattern of price movement during the week but the decline was not as significant as SBO. This is due to the firm Ringgit Malaysia that kept CPO (cif, Rott) price relatively high despite 2% drop in CPO price back in Malaysia. At the end of the week, CPO (cif, Rott) average price was at US\$911, a marginal decline of US\$2 from price charted week ago.
- It is also worth to note that due to the drastic drop in SBO (fob, Bra) price, the CPO price discount against SBO has been reversed causing CPO was selling at a premium of US\$15 during the week. This may further add pressure to CPO price in local front if the Ringgit continues to be firm in coming weeks.

	Previous Week	Prices US\$ / MT					Average
		23-Aug	24-Aug	25-Aug	26-Aug	27-Aug	
CPO (cif, Rott)	913	915	905	NA	908	915	911
SBO (fob, Dutch)	1,011	984	971	971	977	985	978
SBO (Brazil, fob)	923	892	895	887	895	911	896
SFO (fob, Argen)	1,042	1,030	1,000	980	1,025	1,000	1,007
RSO (fob, Dutch)	1,017	965	952	971	990	998	975
PKO (cif, Rott)	1,188	1,180	1,160	1,150	1,145	1,155	1,158
CNO (cif, Rott)	1,187	1,185	1,175	1,160	1,145	1,145	1,162
CPO (fob, Indon)	874	872	872	860	870	875	870

Source: Oil World



Source: Oil World

MONTHLY STATUS

1. Malaysia's Exports & Imports

	Exports		Imports	
	2009	2010	2009	2010
Jan	1,353,686	1,461,727	29,863	155,803
Feb	1,257,482	1,294,915	27,423	64,091
Mar	1,260,797	1,396,949	15,693	50,138
Apr	1,193,524	1,285,467	42,579	110,456
May	1,230,449	1,365,637	114,681	114,397
Jun	1,279,701	1,443,972	87,078	61,028
Jul	1,454,541	1,469,768	93,288	100,521
Aug	1,317,093		97,796	
Sep	1,322,900		118,328	
Oct	1,478,462		75,486	
Nov	1,501,504		56,384	
Dec	1,224,353		153,797	
Jan-Jul	9,030,180	9,718,435	410,605	656,434
Jan-Dec	15,874,492		912,396	

2. Exports to Major Countries

Country	Jan-Jul 2009	Jan-Jul 2010	Change (Vol.)	Change (%)	Jan-Dec 2009
China	2,126,633	2,322,210	195,577	9.2	4,027,172
Egypt	393,932	410,577	16,645	4.2	609,210
EU	1,036,695	1,167,457	130,762	12.6	1,892,099
Pakistan	1,078,098	1,196,148	118,050	10.9	1,769,321
India	803,106	712,310	-90,796	-11.3	1,354,429
Japan	320,005	332,291	12,286	3.8	538,878
Ukraine	342,249	129,554	-212,695	-62.1	544,143
USA	531,436	641,436	110,000	20.7	859,401
Total	6,632,154	6,911,983	279,829	4.2	11,594,653

3. Production & Stocks

	Production		End-Stocks	
	2009	2010	2009	2010
Jan	1,329,333	1,321,304	1,829,357	2,003,175
Feb	1,187,381	1,156,814	1,565,532	1,789,194
Mar	1,275,822	1,387,234	1,365,582	1,655,748
Apr	1,286,059	1,306,228	1,292,692	1,622,580
May	1,395,275	1,385,424	1,371,238	1,562,323
Jun	1,445,937	1,419,849	1,408,317	1,451,153
Jul	1,492,211	1,518,753	1,332,182	1,405,740
Aug	1,495,241		1,415,853	
Sep	1,557,764		1,579,252	
Oct	1,984,036		1,974,526	
Nov	1,595,592		1,934,613	
Dec	1,520,063		2,239,257	
Jan-Jul	9,412,018	9,495,606	1,408,317	1,405,740
Jan-Dec	17,564,714		2,239,257	

4. Monthly Average Prices

	CPO Local Prices	
	2009	2010
Jan	1,842	2,518
Feb	1,898	2,550
Mar	2,027	2,632
Apr	2,402	2,544
May	2,744	2,533
Jun	2,445	2,516
Jul	2,115	2,454
Aug	2,412	
Sep	2,232	
Oct	2,154	
Nov	2,199	
Dec	2,461	
Jan-Jul	2,210	2,535
Jan-Dec	2,244	

Note: Average for Peninsular Malaysia

Source: MPOB

BMD CPO FUTURES

	BMD	BMD
	Settlement Price	Volume Traded
	(RM/(USD))	(lots)
	November 10	November 10
25 August	2,486 (777)	21,506
26 August	2,530 (791)	10,622
27 August	2,542 (794)	8,616
30 August	2,570 (803)	7,921
31 August	PH	PH

Source: Reuters

Exchange rate: US\$1 = RM3.20

* 1 lot = 25 MT