

## Mintec Benchmark Prices

## Vegetable Oil Weekly Update

## European Vegetable Oil, Spot

MINTEC BENCHMARK PRICES	MINTEC CODE	CURRENT PRICE	PREVIOUS WEEK'S PRICE	W-O-W	W-O-W%
Rapeseed Oil FOB Rotterdam	<a href="#">RSOR</a>	€2,090.50/mt	€2,035.50/mt	+€55.00/mt	+3%
Palm Oil Crude CIF Rotterdam	<a href="#">CPOR</a>	\$1,725.50/mt	\$1,655.50/mt	+\$70.00/mt	+4%
Palm Oil Segregated FCA Malaysia	<a href="#">SGPO</a>	\$1,660.00/mt	\$1,650.00/mt	+\$10.00/mt	+1%
Palm Oil Mass Balance FCA Malaysia	<a href="#">MBPO</a>	\$1,642.00/mt	\$1,635.00/mt	+\$7.00/mt	+0%
Sunflower Oil FOB NW Europe	<a href="#">SFOR</a>	\$1,979.50/mt	\$2,099.50/mt	-\$120.00/mt	-6%
Coconut Oil Crude CIF Rotterdam	<a href="#">CNOR</a>	\$1,559.50/mt	\$1,669.50/mt	-\$110.00/mt	-7%
Palm Kernel Oil Crude CIF Rotterdam	<a href="#">PKOR</a>	\$1,649.50/mt	\$1,729.50/mt	-\$80.00/mt	-5%
Soybean Oil Crude FCA Netherlands	<a href="#">SBOR</a>	€1,804.50/mt	€1,849.50/mt	-\$45.00/mt	-2%
Olive Oil Extra Virgin EXW Andalucía	<a href="#">8G39</a>	€3.55/kg*	€3.55/kg*	€0.00/kg	0%

Prices as at 16:00 London time: 25-May-2022

Previous Prices as at 16:00 London time: 18-May-2022

\*Prices as at 16:00 London time: 20-May-2022

\*\*Previous Prices as at 16:00 London time: 13-May-2022

## Key Points

- Palm Oil: Prices Move up as Uncertainty Emerges
- Sunflower Oil: Prices Decline as More Supply Filters Through
- Market participants are Bullish in the coming week.
- Price points heard can be found on the final page of the report

## Publication Note

Please note there will not be an edition of Mintec's Weekly Vegetable Oil Market Update published on 1 June however a monthly update will be available. Publication of the weekly update will resume on 8 June.

## Palm Oil: Prices Move up as Uncertainty Emerges

## The Mintec Benchmark Prices [MBP] for Crude Palm

Oil CIF Rotterdam [Mintec Code: [CPOR](#)] were assessed at \$1,725.50/mt, up \$70.00/mt on the week, due to the reversal of the palm oil export ban from Indonesia. Industry sources on the ground say that the market has come under pressure as stored palm oil has now hit the market adding bearish price pressure to current levels according to market players.

However, the situation has been complicated with the Indonesia government leaving export tax and domestic Market Obligation (DMO) levels vague. This is important as a large domestic market obligation would mean that exporters are 'forced' to supply significant levels of palm oil to the domestic market before they are permitted to sell it on the international market. If this is the case, supplies could be constrained "and may be an export ban by another name," a trader commented to Mintec.

Another trader added: "prices have been very volatile since the reversal of the [Indonesian] ban. The consensus seems to be that palm supply isn't going to be as high as many thought it might. This is a major problem as many players are short and were waiting for the export ban reversal to lower prices. With this not likely to be the case now, prices will move back up to the \$1,800/mt level".

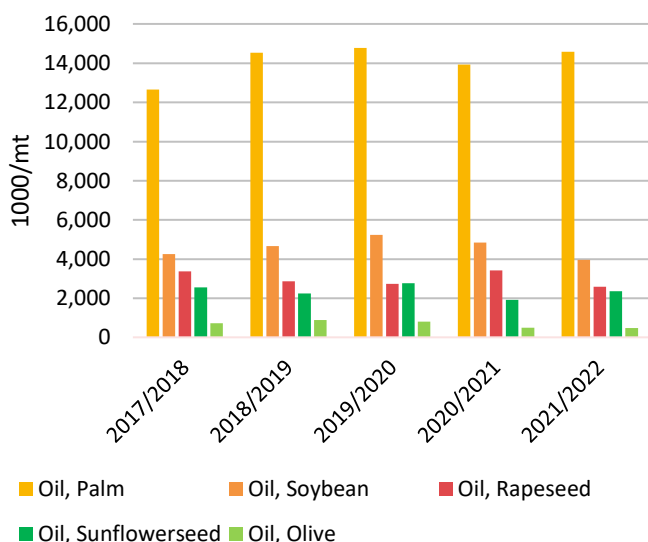
A buyer commented: "we are hearing the DMO may be based on how much a market player can refine and...

...domestic demand. This is so unclear it borders on the ridiculous. There is no way of knowing what the levels may be and Indonesia are changing their minds every day at this point. It doesn't seem they have any kind of plan, and the problem is that it leaves everyone else guessing."

In Malaysia, production is likely to decline by approximately 10-15% month-on-month according to market players. This decline is due to labour shortages which are affecting the picking of the palm fruit as well as the processing of fruit at the refineries. With lower production from Malaysia, supplies of palm oil on the market may be constrained, which industry participants worry could lead to price increases from current levels.

One Malaysia-based trader told Mintec: "the supply from Malaysia is going to be lower, it's a matter of how much. This will move prices up; many players do not have long cover now and will need to dip into the market. The impact on the rest of the vegetable oils is going to be significant as well – it's likely that palm will them upwards."

Vegetable Oil Complex Ending Stocks (Source: USDA)



## Sunflower Oil: Prices Decline as More Supply Filters Through

Turning to sunflower oil the Mintec Benchmark Prices [MBP] for Sunflower Oil 6 Ports Option [Mintec Code: [SFOR](#)] decreased \$120.00/mt on the week, due to increased supply filtering through

from the Black Sea region met by limited demand.

A Black Sea trader said, "there is a lot more sunflower oil coming from Ukraine than was expected. The problem is that many players switched away from sunflower oil and aren't coming back. Yet there has to be a point where prices are too attractive. In my view if spot prices come down to \$1,900/mt that could revive things, but we aren't there yet."

Despite the ongoing armed conflict, it has been reported to Mintec that around 80% of refineries in Ukraine are now up and running. If they continue to run, this could lead to increasing amounts of sunflower oil available for export in the next few weeks and contribute to the oversupply within the market, providing downward price pressure.

A trader commented to Mintec, "Ukrainian crushers are managing to get seed and produce SFO. Let's be real, it's much less than they would export in a regular year, but it's not insignificant. The issue is going to be that they are going to struggle to get anyone to pay high prices as the risk is still high. This will mean that they will sell for cheaper levels than the general market. The knock-on effect will be all prices will move lower in the coming weeks."

Ukraine has planted 3.94 million hectares of sunflower seeds so far this season, and market participants expect that Ukrainian growers will manage to plant 3.6-4.8 million hectares in total. This compares to forecasts of 6 million hectares this season before the war broke out. Production is expected to fall at a steeper rate, with estimates submitted to Mintec pegging the crop at 8 million metric tonnes, down from 17 million tonnes the season prior.

A Ukrainian farmer commented to Mintec, "I am sad to say we are reaching the limit of what we are going to plant. We have done all we can, but the planted acreage is going to be less than a normal year. I am happy that I am alive and can even produce a crop - that's something to be thankful for."

# Assessment Rationales

## **Mintec Benchmark Prices for Rapeseed Oil FOB Rotterdam [RSOR] – 25 May 2022**

Mintec assessed its Mintec Benchmark Prices for spot Rapeseed Oil FOB Rotterdam at €2,090.50/mt, unchanged from the previous assessment. Trading in the rapeseed oil market was lacklustre as buyers were reported to be monitoring the situation rather than looking to purchase. Price points received were uncompetitive against the previous assessment as such the price remained unchanged. No data was excluded from the assessment.

## **Mintec Benchmark Prices for Olive Oil Extra Virgin EXW Andalucía [8G39] – 20 May 2022**

Mintec assessed its Mintec Benchmark Prices for Olive Oil Extra Virgin EXW Andalusia at €3.55/kg, unchanged from the previous assessment. Trading in the Andalusian olive oil market was limited as buyers were reported to have good stocks and did not need to dip into the market. Indications received were mixed adding little clarity leading Mintec to assess the price unchanged. No data was excluded from the assessment.

## **Methodology, Feedback & Forward-Looking Statements**

Mintec is committed to ensuring all published Mintec Benchmark Prices are representative of market value and in line with Mintec's transparency principles we encourage industry participants to reach out to the Proprietary Pricing Team. Any feedback and comments related to this document and prices contained within are welcomed and should be directed to [PRA@Mintecglobal.com](mailto:PRA@Mintecglobal.com).

All forward looking statements in this report are the views and expectations of the individual market participants. The Mintec Proprietary Pricing Team does not have a forward-looking view and are not involved in price forecasting.

The Vegetable Oils Weekly Pricing Update is published each Wednesday, except for the final week where the Vegetable Oil Monthly Update is published on the last business day, and contains proprietary data exclusive to Mintec. If you would like to gain access to this report, contact [PRA@mintecglobal.com](mailto:PRA@mintecglobal.com). For details on the methodology used to assess the Mintec Benchmark Prices visit this [link](#).



# Appendix – Price Points Observed

Date Reported	Source Type	Commodity	Specification	Origin	Incoterm	Location	Price	Currency	Unit	Delivery Horizon	Type	Date Occurred
25/05/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1755	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1725	USD	MT	June	Bid	25/05/2022
25/05/2022	Broker	Coconut oil	Crude	Any	CIF	Rotterdam	1650	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm Kernel Oil	Palm Kernel Oil	Any	CIF	Rotterdam	1650	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Soyabean Oil	Crude Degummed	Netherlands	FCA	Netherlands	1810	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Rapeseed Oil	Crude Degummed	Netherlands	FOB	Netherlands	2150	Euro	MT	June	Offer	25/05/2022
25/05/2022	Broker	Sunflower oil	Crude	any	FOB	EU	1980	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Soyabean Oil	Crude Degummed	Netherlands	FCA	Netherlands	1815	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Soyabean Oil	Crude Degummed	Netherlands	FCA	Netherlands	1810	Euro	MT	June	Offer	25/05/2022
25/05/2022	Broker	Rapeseed Oil	Crude Degummed	Netherlands	FOB	Netherlands	2130	Euro	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1750	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Coconut oil	Crude	Any	CIF	Rotterdam	1580	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm Kernel Oil	Crude	Any	CIF	Rotterdam	1650	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm oil	RBD	Malaysia	FOB	Malaysia	1725	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm Stearin	RBD	Malaysia	FOB	Malaysia	1640	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker / Analyst	Palm oil	RBD	Malaysia	FOB	Malaysia	1725	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker / Analyst	Palm Stearin	RBD	Malaysia	FOB	Malaysia	1640	USD	MT	June	Offer	25/05/2022
25/05/2022	Broker	Palm Oil	Crude	Malaysia	FCA	Malaysia	1603	USD	MT	June	Indication	25/05/2022
25/05/2022	Broker / Analyst	Palm Oil	Crude	Malaysia	FCA	Malaysia	1603	USD	MT	June	Indication	25/05/2022