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Argus Fatty Acids

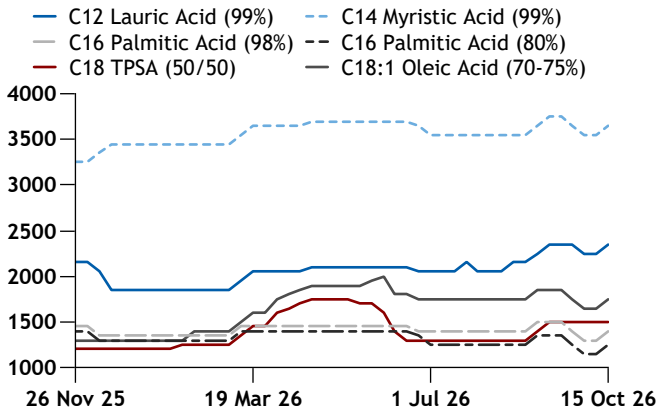
Issue 26-41 | Thursday 15 October 2026

OUTLOOK

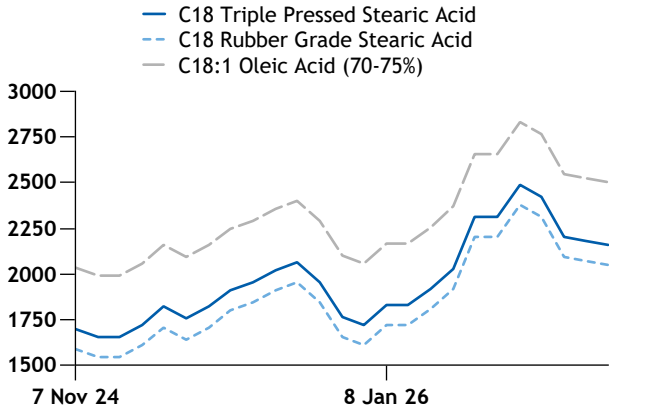
- US duties could tighten Malaysian availability
- EUDR uncertainty continues to delay purchasing
- El Niño risks remain key for 2027 palm production

HISTORICAL PRICING

Select historical Asia spot pricing $/t



Historical US contract pricing $/t



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PRICES

Asia spot

	Δ	$/t		Δ	¢/lb	
C8/10 Blend Caprylic Capric Acid						
FOB SE Asia Drums	▲+100	3,500	3,800	▲+100	158.76	172.37
C8 Caprylic Acid (99%)						
FOB SE Asia Drums	▲+100	4,650	4,750	▲+100	210.92	215.46
C10 Capric Acid (98-99%)						
FOB SE Asia Drums	▲+100	3,050	3,250	▲+100	138.35	147.42
C12 Lauric Acid (99%)						
FOB SE Asia Bagged	▲+100	2,300	2,400	▲+100	104.33	108.86
C14 Myristic Acid (99%)						
FOB SE Asia Bagged	▲+100	3,600	3,700	▲+100	163.29	167.83
C16 Palmitic Acid (80%)						
FOB SE Asia Bagged	▲+100	1,200	1,300	▲+100	54.43	58.97
C16 Palmitic Acid (98%)						
FOB SE Asia Bagged	▲+100	1,350	1,450	▲+100	61.24	65.77
C18:1 Oleic Acid (70-75%)						
FOB SE Asia Drums	▲+100	1,650	1,850	▲+100	74.84	83.91
C18 Stearic Acid Triple Pressed (50/50)						
FOB SE Asia Bagged	◄►	1,450	1,550	◄►	65.77	70.31
C18 Stearic Acid Triple Pressed (38-42)						
FOB SE Asia Bagged	◄►	1,400	1,500	◄►	63.50	68.04

China spot prices $/t*

	11-Sep	18-Sep	25-Sep	02-Oct	09-Oct
C18 Stearic Acid Triple Pressed (1840)					
N.E. China EXW	1,520	1,523	1,519	1,506	1,479

USD/MT, Includes 13% VAT

US Contract (Oct)

	Δ	¢/lb		Δ	$/t	
C16 Palmitic Acid (80%)						
DEL Midwest	▼-9.00	84.75	96.75	▼-9.00	1,868	2,133
C16 Palmitic Acid (98%)						
DEL Midwest	▼-9.00	90.75	100.75	▼-9.00	2,001	2,221
C18 Triple Pressed Stearic Acid						
US DEL Midwest	▼-1.00	95.00	101.00	▼-1.00	2,094	2,227
C18 Rubber Grade Stearic Acid						
US DEL Midwest	▼-1.00	90.00	96.00	▼-1.00	1,984	2,116
C18:1 Oleic Acid						
US DEL Midwest	▼-1.00	108.50	118.25	▼-1.00	2,392	2,607

Northwest Europe spot prices $/t

	Δ	Prices		Δ
C18:1 Oleic Acid				
CIF NWE Isotanks	◄►	2,100	2,200	◄►
C18 Stearic Acid Triple Pressed				
CIF NWE Bagged	◄►	1,600	1,700	◄►

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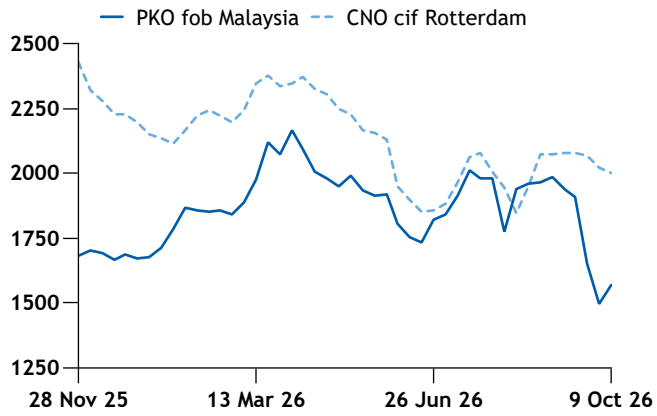
ASIA

Fatty acid mid-cut and long-chain spot prices had been under pressure amid slower market activity, but sources said values across southeast Asia have since moved higher. With lower-priced offers largely disappearing and traders recovering earlier losses, some market participants believe the market is now starting to rebound.

Short chain acids prices increased because spot availability has been constrained. Market participants said limited volumes of short chain acids cuts have supported prices despite weaker sentiment across the broader oleochemicals market. Whereas stearic acid prices remained stable due to low demand.

CNO vs PKO, weekly average $/t



Cuts to Indonesian crude palm oil (CPO) production resulting from a delayed rainy season are likely closer to mid-2027, while weather in Malaysia has not yet posed a risk for 2027 production, Glenauk Economics' Julian McGill said at the Malaysian Palm Oil Forum in Kuala Lumpur on 7 October.

Lack of rain typically shows up in production 8-10 months later, and while there has been enough rain early in 2026, production in Indonesia and Malaysia has held firm.

At the same time, if the El Nino weather pattern continues to intensify, bringing an early end to seasonal rains in Indonesia and Malaysia in early 2027, both countries could face lower production later that year. Malaysian production currently looks unlikely to decline, while Indonesia's 2027 production is projected to fall by 2mn t on the year, McGill said.

For the coming months, stocks in producing countries are likely to remain ample. Importing regions have been stocking up in anticipation of tighter supply, while demand from food producers in these countries is likely to remain limited, which could weigh on demand for fresh purchases from Indonesia and Malaysia.

Going forward, CPO prices could draw support from southeast Asia's biofuel sector. But in Indonesia, Malaysia and Thailand, there might not be much scope for biodiesel blending to rise.

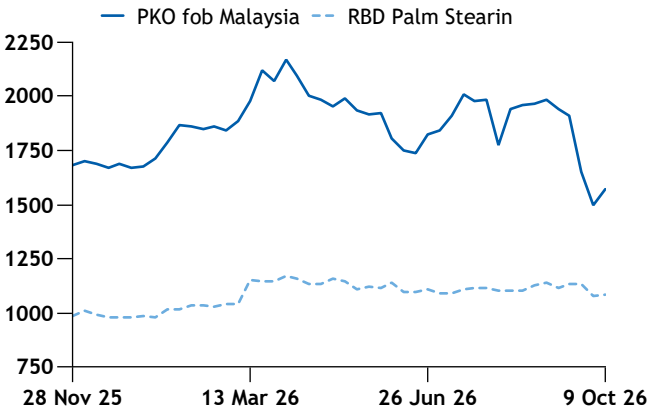
Indonesia has still not fully implemented its B50 biodiesel blending mandate — largely because of limited production capacity, rather than funding, McGill noted. A significant increase in capacity is only likely in 2028.

In Malaysia, meanwhile, blending above the current B15 target could be difficult without significant infrastructure upgrades, McGill said — although the country is targeting an increase to B30 by 2030 for road transport. Thailand's biofuel demand is likely to depend largely on fossil fuel prices. The country currently uses a standard B7 minimum blend.

One unexpected driver of biodiesel demand for CPO could come from the US. If US biofuel subsidies and rules remain unchanged, imported used cooking oil (UCO) could remain attractive, relative to US domestically crushed soybean oil, McGill said. UCO consists primarily of used palm olein, itself a refined product of CPO.

Meanwhile, Malaysian palm oil prices have come under pressure as lower crude oil prices and high stocks discouraged buying by large importers such as India, market participants said.

RBD palm stearin vs PKO, weekly average $/t



Indian buyers switched demand from palm oil to cheaper alternatives, including soybean oil from Brazil, ever since August when palm oil prices started increasing sharply following previous announcements of a very strong El Niño likely tightening supply in coming months.

Soybean, palm and sunflower oils compete within the global vegetable oil market. This interdependence means that changes in supply and price levels can reshape trade flows between them.

India has historically been the main destination for southeast Asian palm oil. The country's recent shift away from the product has contributed to rising inventories in Malaysia and weighed on palm oil prices. Further price

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ASIA (CONTINUED)

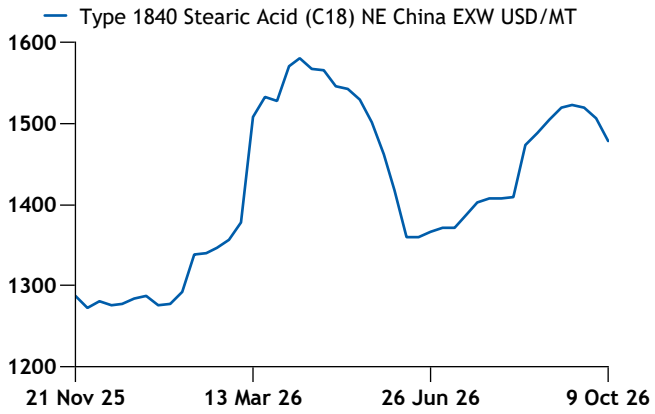
declines could make palm oil more competitive against other vegetable oils and encourage importers to switch back.

The increase in palm oil availability may prove short-lived. From 2027, higher domestic consumption in southeast Asia is expected to curb exportable supplies.

China

Triple pressed C18 stearic acid prices softened to $1,479/t exw northeast China.

China spot C18 stearic prices $/t



Weather in key production regions

In Indonesia, the country's board for disaster management continued to report drought conditions that had persisted since previous months across several areas, including South Sulawesi, one of the largest palm oil producing provinces in the country. Meanwhile, Malaysia's disaster management agency reported floods, landslides, storms, and wind-related disasters in Sabah.

El Niño is now firmly established with both oceanic and atmospheric indices reflecting values consistent with a strong El Niño, with further intensification likely during spring, according to the Australia's Bureau of Meteorology (BoM).

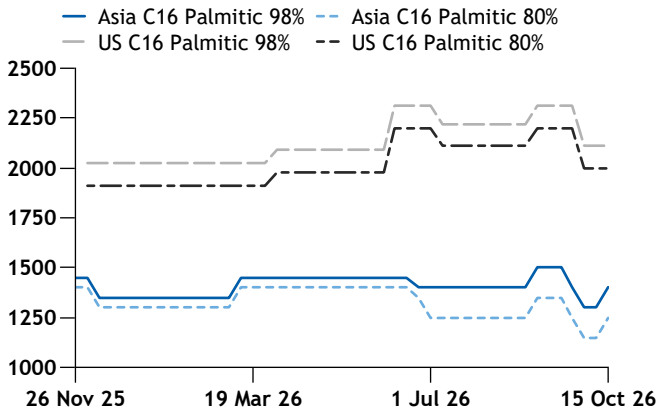
All models, including the bureau's, forecast the tropical Pacific to continue warming through the southern hemisphere spring, likely peaking in late spring or summer. Values are forecast to reach levels above the warmest observed since reliable records began in 1950.

Given its current strength, in addition to the typical life cycle of an El Niño, this event is expected to persist into the second quarter of 2027, the BoM added.

US

The US Department of Commerce's (DOC) preliminary anti-dumping determinations on certain fatty acid imports from Indonesia and Malaysia could ultimately end up tightening European supply.

C16 fatty acids, US & Asia pricing spreads $/t



The DOC recently assigned weighted average dumping margins of 12.32-23.04pc for Indonesian producers and 4.47-7.07pc for Malaysian producers. With Malaysian duties much lower than those on Indonesian imports, participants now expect US buyers to shift purchasing towards Malaysian material.

With European buyers also relying more heavily on Malaysian material since the EU imposed duties on Indonesian imports in 2023, many expect the increased competition could lead to a supply squeeze in Europe.

Market participants noted that the new US duties could trigger a similar rebalancing of trade flows, potentially increasing competition between US and European buyers for Malaysian material.

Northwest, east and central Europe imported 108,103t of fatty acids from Malaysia in January-July 2026, up from 94,792t during the same period a year earlier, Global Trade Tracker (GTT) data show.

European buyers increasingly turned to Malaysian supplies from 2023 onwards, reshaping global trade flows as Indonesian material lost competitiveness in the bloc. Imports into northwest, east and central Europe from Indonesia fell to 124,506t in 2023 from 319,267t in 2022, while imports from Malaysia rose to 189,650t from 120,581t over the same period.

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US (CONTINUED)

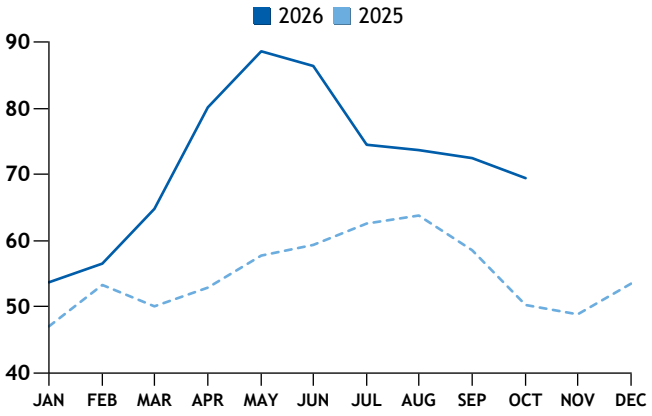
The shift continued in 2024, with Malaysian fatty acid imports rising further to 253,537t, compared with 219,381t from Indonesia.

The investigations in the US followed a petition filed by domestic producer Vantage Specialty Chemicals. The DOC is expected to issue its final anti-dumping determinations around 5 February 2027, while the US International Trade Commission (ITC) continues its parallel injury investigations.

The agency is also conducting concurrent countervailing duty investigations into fatty acid imports from both south-east Asian countries. If the final determinations are upheld and the ITC finds material injury to the domestic industry in the US, anti-dumping and countervailing duties could then be imposed on affected imports from Indonesia and Malaysia.

Meanwhile, US tallow-based contract prices continued to ease in October, pressured by weaker biofuel-sector demand and softer buying interest for tallow feedstocks. Palm-based contract prices also moved lower as declining feedstock costs weighed on the market.

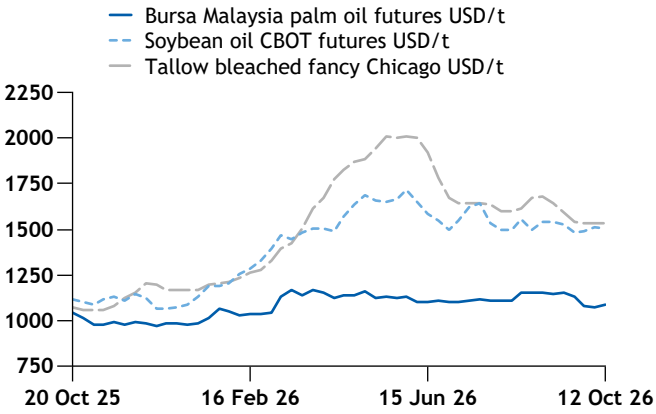
Tallow monthly average prices ¢/lb



The US Department of Agriculture reported a year-on-year decline in cattle slaughter rates, with hog and poultry numbers also trending downward. This shift reflects a broader consumer pattern in the US, where plant-based alternatives in personal care and cleaning products are gaining popularity.

Cattle slaughter, including calves, totalled 488,704 head in the week ending 26 September. Year-on-year comparisons were unavailable, as data for the corresponding week in 2025 was not released during the US government shutdown.

CPO vs soybean oil vs tallow, weekly average $/t

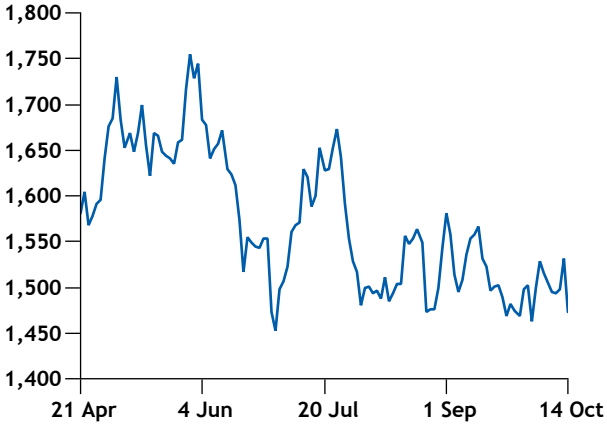


Slaughter volumes provide insight into supplies of rendered fats, which are used as soaps, animal feed and feedstocks for renewable biofuels and oleochemicals. About 50pc of a slaughtered animal is used for human consumption and the remaining half is rendered.

US truck costs are holding at high levels due to the increased fuel surcharges, sources note. Rates from the US Gulf to the Midwest have been heard at 13-15¢/lb, while US Gulf to the east coast rates were discussed at 17-20¢/lb.

Meanwhile, US rail costs are holding steady, with rates from the Midwest to the US Gulf or east coast heard around 8-10¢/lb.

Soybean oil futures ¢/lb



In other vegetable oil markets, SBO futures contracts on the CME traded around 72.63¢/lb for December.

Mass balance premium
Mass Balance premium for volume sold with certification is heard at 6-8 ¢/lb.

Truck freight from the US Gulf to Midwest generally ranges 13-15 cents/lb

Truck freight from the US Gulf to East Coast generally ranges 17-20 cents/lb

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EUROPE

The European spot market was largely steady, although weak demand continues to weigh on sentiment across the region.

Meanwhile, Germany's federal cabinet has approved a draft regulation aimed at simplifying EUDR implementation for forestry and agricultural businesses.

The draft, approved on 7 October, would allow small foresters and agricultural firms to submit a one-time declaration using an address rather than geolocation data to identify any land involved in operations.

Forestry associations would also be able to submit declarations for timber marketed on behalf of its members, removing the need for individual forest owners to file.

Medium-sized and large companies might also qualify for simplified measures if EUDR-related parts of its business remain below two of these thresholds applicable to small businesses — €10mn turnover, a €5mn balance sheet or 50 employees.

The proposed changes would significantly reduce the administrative burden, especially for many municipalities that own forests, German agriculture minister Alois Rainer said.

Germany's federal upper parliamentary chamber — the Bundesrat — requested that EUDR simplifications agreed last month at EU level be written into German law.

The EUDR is due to come into force for large and medium-sized operators and traders on 30 December and from 30 June for micro and small enterprises.

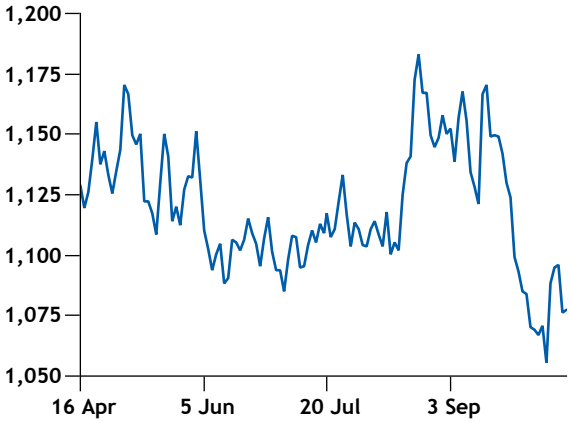
TROPICAL OILS

Tropical and key edible oils weekly pricing				$/t
	2 Jan 26	2 Oct 26	9 Oct 26	Weekly trend
Fats and greases				
Crude palm oil fob Malaysia	985	1,080.30	1,075.10	▼
Crude palm kernel oil fob Malaysia	1,671	1,498	1,569	▲
Coconut oil cif Europe	2,198	2,022	2,001	▼
RBD palm olein fob Malaysia	1,000	1,115	1,131	▲
Palm fatty acid distillate fob Malaysia	995	1,075	1,043	▼
RBD palm stearin fob Malaysia	980	1,075	1,081	▲
Rapeseed oil fob Dutch mill	1,216	1,385	1,381	▼
Soybean oil futures CBOT	1,073	1,486	1,507	▲
Bleached fancy tallow del Chicago	1,168	1,532	1,532	◂ ▸
Used cooking oil				
Used cooking oil cif ARA	1,129	1,308	1,293	▼
Used cooking oil fob China bulk	1,077	1,180	1,180	◂ ▸

** the previous week is displayed when no trades occur*

Tropical and key edible oils daily pricing				
Ticker	**Description**	**Exchange**	**Date**	**Price**
FCPO1!	Palm oil futures ringgit/t	MYX	13 Oct	4,398.00
FCPO1!	Palm oil futures $/t	MYX	13 Oct	1,076.36
ZL1!	Soybean oil futures $/t	CBOT	13 Oct	1,531.77

Palm oil futures $/t



Palm taxation

During October 2026, Malaysia's CPO exports will remain subject to the highest level export duty of 10pc. The CPO reference price used to set the duty climbed to 4,452.66 ringgit/t ($1,091.04/t) in October, up from 4,392.32 ringgit/t in September, according to the country's palm oil board.

Indonesia's CPO exports will be subject to a $130.27/t levy and a $178/t duty in October as per the current export levy structure. The Indonesian CPO reference price moved up to $1042.15/t in October, from $1007.51/t the previous month.

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TROPICAL OILS (CONTINUED)

MPOB

Malaysia's total palm oil stocks continued to climb for a sixth consecutive month to 3.5mn t in September, reaching a record high and exceeding analysts' expectations as exports fell while production expanded, data from the Malaysian Palm Oil Board (MPOB) show.

Malaysia's CPO stocks rose by almost 32pc on the month to 2.1mn t in September, while total processed palm oil stocks rose by 14pc to 1.3mn t.

Malaysia is the world's second-largest palm oil producer after Indonesia, and market participants track its stock levels as a key supply-demand indicator because its monthly data is viewed to be more reliable than Indonesia's.

CPO production rose across the board to 2.1mn t, up by 16pc from August. Output in Sabah was up by 35pc to 457,000t between August and September. Meanwhile, Sarawak's production rose by 15pc to 507,000t and peninsular Malaysia's increased by almost 11pc to 1.1mn t. Sharp increases in East Malaysian CPO production so far over the year to-date have stemmed from replanting initiatives in recent years, particularly in Sabah, that have now come to fruition, market participants said.

Malaysia exported around 1.1mn t of palm oil in September, 12pc less than in the previous month. Exports likely fell because key buyers, including India, were already well-stocked, and those remaining in the market favoured cheaper Indonesian palm oil products during September.

Malaysia also imported 6,812t of CPO in September after recording no imports in August. Processed palm oil imports were also marginally up by 3pc. Malaysia likely imported Indonesian CPO for downstream processing because of its competitive pricing, despite strong growth in domestic production during the month.

GAPKI

Indonesian palm oil stocks fell in June while exports and production rose month on month, according to data from Indonesian palm oil association Gapki.

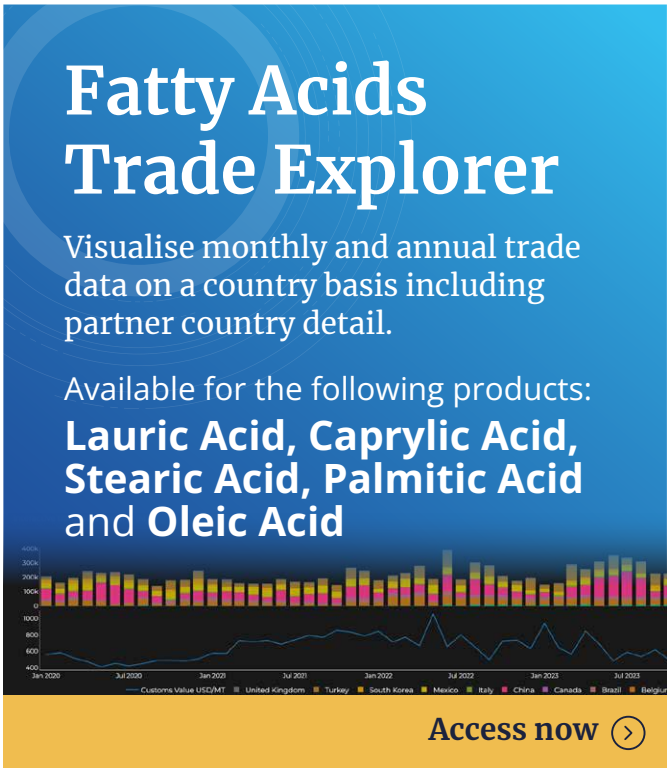
Palm oil inventories fell to 2.84mn t in June, 6.5pc lower on the month but 12pc higher on the year, Gapki data show.

Exports surged by 64pc from May but fell by 9pc on the year to 3.3mn t in June. Processed palm oil shipments rose by 66pc on the month to 2.3mn t, while oleochemical exports fell by 3pc to 467,000t. CPO exports surged month on month to 335,000t after plunging in May to 31,000t.

Market participants track Indonesian palm oil stock levels to gauge demand and supply, as the country is the world's largest palm oil producer.

Combined palm oil production in Indonesia rose by 16pc from May, but was stable on the year at 5.3mn t in June. CPO output in June was higher at 4.8mn t, while palm kernel oil production increased to 449,000t from 387,000t.

Domestic palm oil consumption rose by 6pc on the month and 6.2pc on the year to 2.2mn t in June on higher food, biodiesel and oleochemical consumption. Palm oil use for food increased by 2.6pc to 878,000t, while biodiesel consumption rose by 9pc to 1.1mn t month on month.



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ECONOMIC VIEW

As reporting season in the US approaches, energy companies are expected to post bumper profits thanks to the spiralling energy prices triggered by the closure of the strait of Hormuz.

A 30pc jump in the price of West Texas Intermediate oil in the third quarter means US-listed energy majors are expected to report a 114pc year-on-year jump in quarterly earnings growth, up from a forecast of 79pc growth at the end of June, according to data provider FactSet.

Heading east, economists predict that China's economy grew 4.4pc during the third quarter, a marginal increase from the previous quarter, as strong exports and AI related sectors were not enough to offset continued sluggishness in real estate and consumer spending.

But, a new outlook from the Peterson Institute for International Economics expects China's economic growth to slow further next year as export strength fades and weak domestic demand persists, even as the global economy remains resilient.

The think tank projects China's GDP will grow 4.6pc this year and 4.3pc in 2027, down from 5pc growth in 2025.

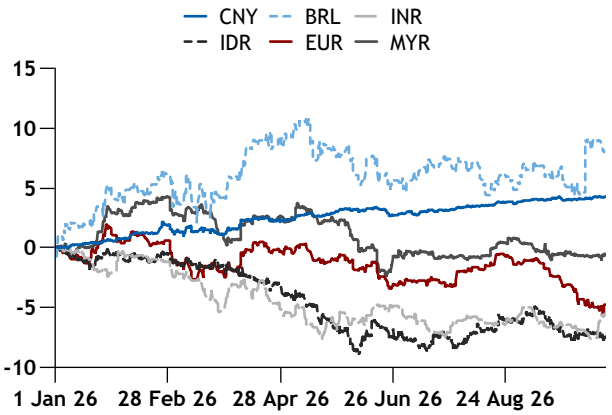
The report said overcapacity and the property slump continue to weigh on domestic demand while export strength is expected to fade.

Meanwhile, the World Trade Organisation has upgraded its forecast for volumetric growth in merchandise trade in 2026 from 1.9pc to 3.9pc year-on-year. It highlighted a stronger than anticipated surge in AI-related capital investment and the impact this has had so far in offsetting commodity trade disruption in the Middle East and Russia.

Currency

The US dollar continues to hover near an 18-month high, as an escalating Middle East conflict kept investors cautious ahead of the release of key US inflation data.

Key oleochemical currencies' performance vs $ *±%YTD*



SHIPPING AND LOGISTICS

Strikes on tankers travelling via strait of Hormuz increased in early October, with the UK Maritime Trade Organisation (UKMTO) reporting at least five attacks against tankers on the US-protected lane along the coast of Oman since 3 October.

Many vessel owners remain hesitant to transit the strait of Hormuz because of the US blockade, concerns about US sanctions, and vessel attacks in the region. Tanker freight rates remain at elevated levels because of higher additional war risk premiums and vessel idling costs, further deterring buyers from making bookings.

Meanwhile, US President Donald Trump has said the US will not resume hostilities against Iran before the 3 November midterm congressional elections. The US is "having productive discussions" with Iran but the US naval blockade and campaign of economic pressure against Iran will continue, Trump said in a social media post.

Trump's statement is not an ironclad assurance that direct hostilities between the US and Iran will not resume any time soon. Tehran has confirmed continued indirect dialogue with the US, through mediators, but chances of a diplomatic breakthrough appear low. While Iran has increased the pace of its attacks against commercial shipping, challenging the Trump administration's claim that it had restored oil flows through the strait of Hormuz to pre-war levels.

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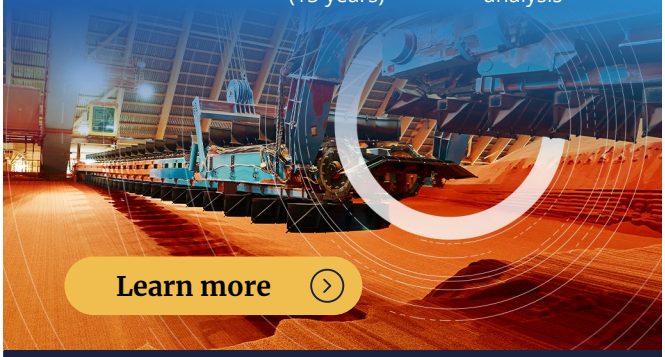
Supply, demand, trade forecasts (15 years)

Cost curves and projects analysis



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