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Argus Glycerine

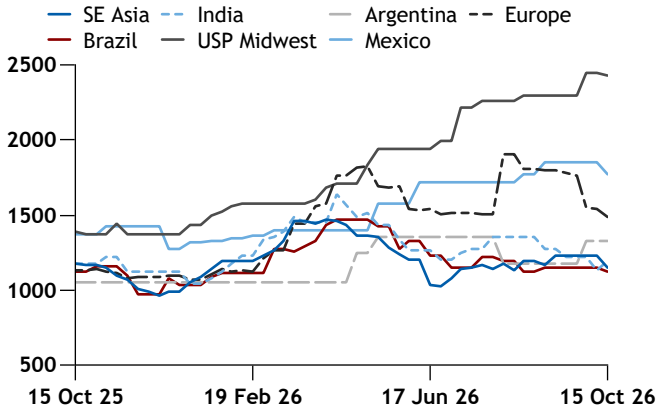
Issue 26-41 | Thursday 15 October 2026

OUTLOOK

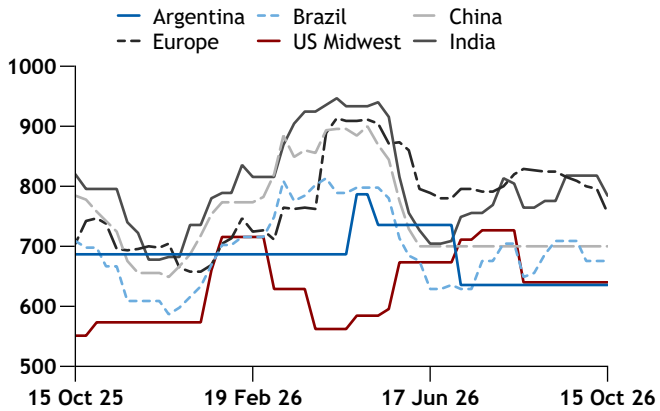
- US 4Q contracts concluded at higher levels
- El Niño risks remain key for 2027 palm production
- Uncertainty remains on US WROs on Indonesian plantations

HISTORICAL PRICING

Select vegetable refined glycerine historical spot pricing $/t



Select 80% crude glycerine historical spot pricing $/t



PRICES

US 4Q26 contract price range

	Δ	¢/lb		Δ	$/t	
Veg. refined glycerine (99.7%)						
Bulk del Midwest	▲+8.00	101.00	110.00	◄►	2,227	2,425
Tallow refined glycerine (99.7%)						
Bulk del Midwest	▲+6.00	98.00	101.00	▲+3.00	2,161	2,227
refined pharmaceutical grade						
Drum US del Midwest	◄►	140.00	150.00	◄►	3,086	3,307

US spot price range

	Δ	¢/lb		Δ	$/t	
USP veg. refined glycerine (99.7%)						
Bulk del Midwest*	◄►	105.00	115.00	▼-2.00	2,315	2,535
Bulk del east coast	◄►	101.00	115.00	▼-2.00	2,227	2,535
Bulk del US Gulf	◄►	105.00	115.00	▼-2.00	2,315	2,535
USP tallow refined glycerine (99.7%)						
Bulk del Midwest*	◄►	92.00	105.00	◄►	2,028	2,315
Bulk del east coast	◄►	98.00	107.00	◄►	2,161	2,359
Bulk del US Gulf	◄►	98.00	107.00	◄►	2,161	2,359
Technical grade glycerine (99.5%)						
Bulk del Midwest*	◄►	92.00	98.00	▼-4.00	2,028	2,161
Bulk del east coast	◄►	92.00	98.00	▼-4.00	2,028	2,161
Bulk del US Gulf	◄►	92.00	98.00	▼-4.00	2,028	2,161
Crude glycerine (80%)						
Bulk fob Midwest*	◄►	23.00	25.00	◄►	507	551
Bulk fob US Gulf	◄►	23.00	25.00	◄►	507	551
Kosher crude glycerine						
Bulk fob Midwest*	◄►	28.00	30.00	◄►	617	661

** prices are assessed on a weekly basis*

South America and Mexico spot

	Δ	$/t		Δ	¢/lb	
Brazil veg. refined glycerine (99.7%)						
fob Santos Port*	◄►	1,100	1,150	▼-50	49.90	52.16
Brazil crude glycerine (80%)						
fob Santos Port*	◄►	670	680	◄►	30.39	30.84
Argentina veg. refined glycerine (99.7%)						
fob rosario/San Lorenzo*	◄►	1,300	1,350	◄►	58.97	61.24
Argentina crude glycerine (80%)						
fob rosario/San Lorenzo*	◄►	620	650	◄►	28.12	29.48
Mexico veg. refined glycerine (99.7%)						
cif Veracruz (Flexi)	▼-50	1,750	1,800	▼-100	79.38	81.65

** prices are assessed on a weekly basis*

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PRICES (CONTINUED)

Asia spot	Δ	$/t		Δ	¢/lb	
SEA kosher veg. refined glycerine (99.7%)						
fob SE Asia drums*	▼-45	1,280	1,380	▼-20	58.06	62.60
SEA kosher veg. refined glycerine (99.7%)						
fob SE Asia Bulk*	▼-100	1,100	1,200	▼-50	49.90	54.43
China veg. crude glycerine (80%)						
cfr CMP flexi*	◄►	760	770	▼-10	34.47	34.93
China mixed crude glycerine (80%)						
cfr CMP flexi*	◄►	710	715	▼-5	32.21	32.43
India kosher veg. refined glycerine (99.7%)						
cif west coast IMP drums*	◄►	1,300	1,350	◄►	58.97	61.24
India kosher veg. refined glycerine (99.7%)						
cif west coast IMP flexi*	▲+50	1,170	1,210	▲+60	53.07	54.88
India crude glycerine (80%)						
cif west coast IMP flexi*	▼-40	770	800	▼-25	34.93	36.29

** prices are assessed on a weekly basis*

Europe spot	Δ	€/t		Δ	¢/lb	
Kosher GMO veg. refined glycerine (99.5%)						
fca northwest Europe bulk*	▼-50	1,300	1,350	▼-50	66.11	68.65
Kosher non-GMO refined glycerine (99.5%)						
fca northwest Europe bulk	▼-50	1,500	1,550	▼-50	76.28	78.82
Technical grade non-veg. refined glycerine (99.5%)						
fca northwest Europe bulk	◄►	1,050	1,100	◄►	53.39	55.94
GMO veg. crude glycerine (80%)						
fca northwest Europe bulk*	▼-50	650	700	▼-20	33.05	35.60
Crude glycerine non-GMO kosher (80%)						
fca northwest Europe bulk	▼-200	850	900	▼-250	43.22	45.77
Crude glycerine non-veg. technical grade (80%)						
fca northwest Europe bulk	◄►	580	600	◄►	29.49	30.51

Exchange rate: $1 = 0.8920

** prices are assessed on a weekly basis*

China ECH spot	Δ	Yuan/t	$/t*
Epichlorohydrin (ECH)			
exw East China tank car	▼-100	10,900	1,628

Mass balance premium
Mass balance premium for volume sold with certification is heard at 6-9 ¢/lb

Truck freight from USGC to Midwet generally ranges 13.00-15.00 ¢/lb
Truck freight from USGC to East Coast generally ranges 17.00-20.00 ¢/lb

NORTH AMERICA

Fourth quarter contract negotiations have been concluded with prices stable-to-higher across all grades following months of volatility, extremely tight markets, and high production and import costs, according to market players.

For 99.7 USP-certified vegetable oil-based refined glycerine, fourth quarter contracts were assessed in a narrower range in comparison to last quarter, with the lower end of the previous price range now higher on tight markets, reduced arrivals and higher freight and energy costs, market participants said.

Additionally, and amid longer transit times and ongoing uncertainty regarding import logistics, many buyers have focused on domestic material at a premium, and have not looked to import volumes as they try to avoid any possible disruptions on deliveries.

Fourth quarter contract prices for the 99.7 USP-certified tallow refined glycerine tier were also assessed at higher values from the previous quarter as supply tightened on production disruptions, in addition to surging tallow prices, regional sources said. Sellers in this tier said they are fully sold into contract business. This means there will likely be very limited volumes available in the spot market for the quarter.

In the pharmaceutical-grade tier, pricing for the fourth quarter was unchanged at high values according to market participants. This market requires much more certification and approvals are generally on a company-by-company basis, which makes the product sell at a premium. This grade is also mainly sold in drums.

For all contract grades there were some settlements heard above and below the current ranges, but the bulk of business for medium-sized buyers was within the published ranges.

Meanwhile, there is additional market concern due to the recent Withhold Release Orders (WROs) issued by the US Customs and Border Protection (CBP) against two Indonesian

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NORTH AMERICA (CONTINUED)

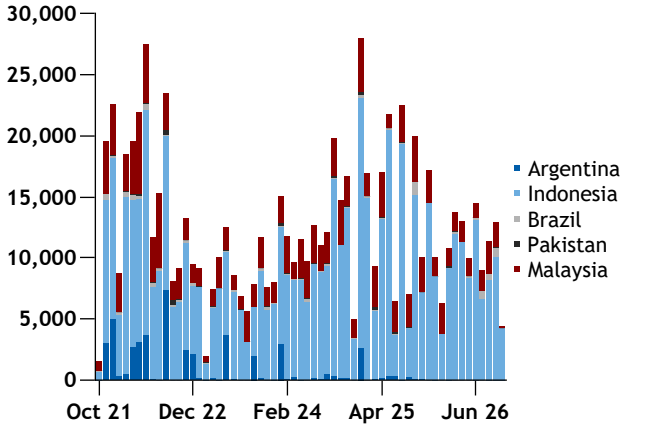
palm oil plantations and all palm oil and derivatives products linked to them, including palm oil-based glycerine.

On 29 September, CBP issued WROs against palm oil and its derivative products produced by Mitra Aneka Rezeki and Hardaya Inti Plantation in Indonesia, effective immediately.

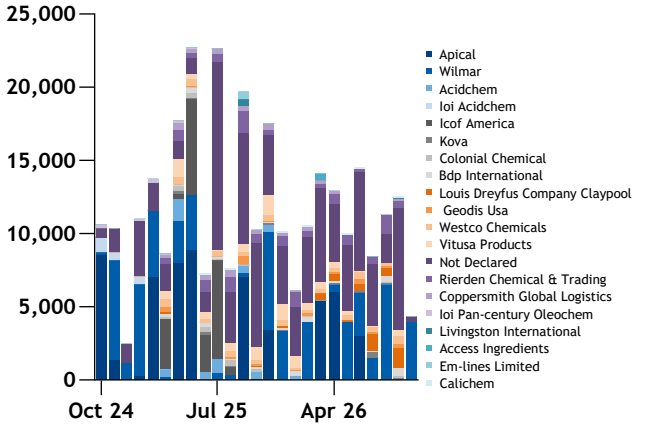
While there is no clarity regarding the actual impact of the WROs on refined glycerine arrivals, there is market concern on its potential effects, with some large importers reportedly delaying their vessel arrivals as they assess whether their feedstock or derivative products are linked to the affected producers.

As of 15 October, over 4,100t of refined glycerine arrived at US ports, mostly from Indonesia, according to *Argus* Trade Monitor.

US refined glycerine imports by top 5 countries *t*



US refined glycerine imports by shipper *t*



The above graphs are displayed to be read from bottom to top, with the first enlisted countries/companies being shown at the bottom of the bar. The second graph, showing imports by shipper, shows 25 top shippers, so totals differ slightly from the first chart, showing imports only by the top 5 importer countries.

Turning to 80pc crude glycerine, kosher and non-kosher material is seeing unchanged prices in the spot market amid stable supply/demand balance as, while demand remains strong, production has also ramped up in recent months.

Meanwhile, in industry news, a bipartisan group of 39 US representatives urged the US Environmental Protection Agency (EPA) and Department of Energy (DOE) on 9 October to propose an allocation method for exempted 2025 federally mandated biofuel blending volumes by 16 October that maintains program targets.

The representatives, led by Adrian Smith (R-Nebraska) and Nikki Budzinski (D-Illinois), asked the agencies in a letter to take swift action to fulfil commitments to reallocate 100pc of the exempted volumes to the 2026 and 2027 Renewable Fuel Standard (RFS) biofuel blending targets, in line with the Set 2 volumes to preserve the integrity of the program.

EPA granted exemptions totaling 1.76bn renewable identification number (RIN) credits through approval of 18 full and 11 partial small refinery exemptions (SRE) on 31 August from the 2025 RFS biofuel blending requirements.

The RFS requires refiners to blend various types of biofuels each year on an increasing scale, or to meet their obligations by buying RIN credits from the secondary market from those who do.

Refiners operating facilities with a nameplate capacity of 75,000 b/d or less can petition EPA for an annual exemption from RFS obligations. Refiners must demonstrate that compliance would cause disproportionate economic hardship to qualify for an SRE.

The EPA can grant full, partial or no relief.

US truck costs have edged higher 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.

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AMERICAS

Brazil

Brazil's crude glycerine market has seen limited buying interest, as weak bids and subdued demand for epichlorohydrin (ECH) in China have weighed on export opportunities. Reduced biodiesel production in Brazil has further tightened crude glycerine supply, limiting volumes available for export.

High energy costs and firming petrochemical values, driven by the conflict in the Middle East, have added pressure to the Chinese market, which as a result is seeing reduced manufacturing activity. The rise in petrochemical prices has not translated into stronger demand for crude glycerine, as downstream ECH consumption in China remains weak.

Market participants said that Chinese buyers have offered lower prices for Brazilian crude glycerine, reflecting the sluggish ECH market and cautious purchasing behaviour.

The Chinese ECH industry is the main outlet for Brazilian 80pc crude glycerine.

Despite low bids from Chinese buyers, Brazilian producers are maintaining higher offer values, with most suppliers quoting $740/t cif China Main Ports (CMP), which is $20/t above the highest closed deal heard this week. With reduced biodiesel production and consequently less glycerine generated in Brazil, producers report no urgency to move volumes and prefer to wait for higher bids before selling their material.

Biodiesel output in Brazil remains subdued, with some large producers undergoing maintenance and others operating at around 60pc of capacity because of weak demand and high costs, market participants said.

Meanwhile, subdued demand has put pressure on vegetable oil-based 99.7pc refined glycerine prices, market participants said. High freight costs, disrupted logistics, and reduced production have kept trade quiet, as bids continue to fall short of offers.

Brazilian exporters are struggling with limited container availability, as strong seasonal demand for other commodities is keeping the country's exports higher than imports, resulting in limited-to-no container availability into most regions. Regional sources said longer average waiting times for vessels to berth at the port of Santos in October have increased port costs, further aggravating export logistics.

Freight plus flexitank costs from the Brazilian port of Santos to China main ports continue to be reported at around $1,000/FCL. Meanwhile, shipping costs to the rest of the regions have seen increases by $1,000-2,000/FCL depending on destination, market participants said.

In industry news, the board of directors of Brazilian food and energy company Caramuru has approved a $100mn financing facility from Rabobank, with most of the funds earmarked for investments in the company's biodiesel operations. Caramuru operates three biodiesel plants in Brazil's centre-west region. Two facilities in Goiás state have a combined production capacity of 1,250 m^3/d, while a third plant in Mato Grosso state can produce 285 m^3/d.

Argentina

Argentinian crude and refined glycerine prices have been notionally assessed unchanged as the market remains extremely quiet, with limited-to-no volume available in the spot market, regional sources said.

Argentina's glycerine supply remains extremely tight as biodiesel and glycerine production is reported at historical lows. The country's biodiesel generation has seen reduced levels since the end of 2022. No plant is currently working at full capacity, and demand is still described as soft.

Mexico

Prices for 99.7pc vegetable oil-based refined glycerine were assessed at lower values after recent imports from Argentina and Colombia priced at lower values, according to market participants. However, arrivals remain limited and most volume available in the spot market is heard offered at the upper end of the assessed price range.

Reduced imports from Argentina continue to be seen due to lower production levels in the Latin American country. Additionally, several blank sailings have been issued by shipowners between Argentinian ports and the port of Veracruz, with 3-month delays being reported by traders.

Imports from other close by markets, such as the US, Brazil, and Peru, have also been reported at low levels on shipping disruptions on a lack of container availability in Brazil, and tight markets amid reduced arrivals from southeast Asia into the US, further tightening local supply.

Meanwhile, some Mexican producers have also reported zero availability in the spot market, with most of their volume being already sold in longer-term contract deals.

As a result, Mexican buyers in need of immediate volume are faced with higher offers following firmer prices in neighbouring country US, along with stronger demand from both the US and Mexico, regional sources said.

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ASIA

The Asian glycerine market remains quiet as Chinese bids continue to fall short of offers and most producers have no urgency to move volume amid firming freight costs and ongoing logistics disruptions.

Prices for kosher vegetable oil-based 99.7pc refined glycerine have been heard in a wide range, with volumes sent to China offered at the lower end of the range, as bids remain at low levels and demand is subdued. Meanwhile, volume sent to other destinations is still being offered at the upper end of the range, as high freight costs and logistical issues continue to disrupt supply from other destinations that compete in the market for a share with southeast Asian producers, according to market participants.

Prices for 80pc crude glycerine saw stable-to-softer levels on weak purchasing interest and reduced supply, regional sources said.

Reference prices for vegetable oil-based 80pc crude glycerine grade cfr CMP are more representative of arrivals from southeast Asia, which are exempt from import duties; while prices for mixed oil-based 80pc crude glycerine cfr CMP are more representative of arrivals from Europe and Brazil.

Freight from bigger southeast Asian ports to Chinese main ports are heard at around $10/t in flexitanks, while freight from smaller ports is heard at $20/t, according to regional sources.

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.

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 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.

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ASIA (CONTINUED)

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.

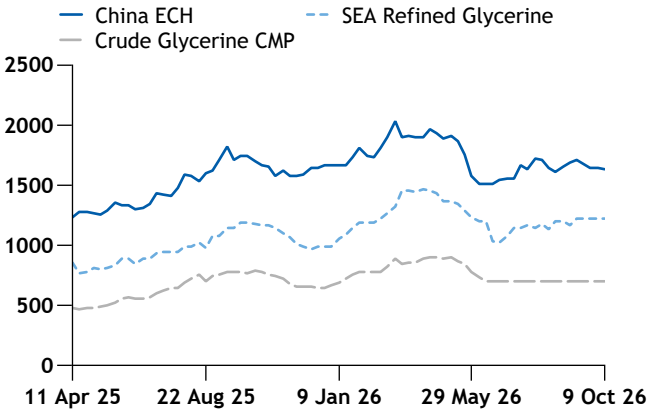
China

Downstream ECH consumption in China remains weak on subdued manufacturing activity as the country faces high energy costs and firming petrochemical values, driven by the conflict in the Middle East, according to regional sources.

As a result, market participants said Chinese glycerine buyers have retreated and are waiting for prices to fall to secure their volumes amid thin ECH production margins.

As of the latest *Argus* weekly assessment on 9 October, ECH was heard trading at around Yuan 11,000/t ($1,642/t) exw east China before moving down to Yn10,900/t on 13 October.

China ECH, refined and crude glycerine prices $/t



India

Indian crude glycerine prices moved down following prices in the neighboring countries. But the market remains mostly quiet as bids remain below offers and demand from the downstream market is subdued, regional sources said.

Purchasing interest in India remains weak as prices for other raw materials are high amid firming petrochemical values, reducing manufacturing activity in the country on thin production margins and poor economics.

Meanwhile, prices for kosher vegetable oil-based 99.7 refined glycerine in flexi tanks has been assessed at higher values. Firming freight costs has put upwards pressure on offers due to the limited arrivals, according to market participants.

Freight plus flexitank costs from southeast Asian ports to Indian main ports has moved up by $50/t during the second week of October, reaching $2,400-2,600/FCL, according to regional sources.

EUROPE

The European glycerine spot market is seeing softer demand and lower values as participants continue to focus on the upcoming deforestation regulation (EUDR) as they try to assess how it could impact trade flows as well as prices into the coming year.

After recent changes announced on the regulation, market participants remain divided over whether the EUDR will actually take effect at the end of 2026 as currently scheduled after two previous delays. Some expect the regulation to be implemented as planned. Others said repeated postponements have weakened confidence in the timeline, leading them to adopt a wait-and-see approach rather than making purchasing decisions based on EUDR compliance requirements.

Meanwhile, buyers into the non-GMO vegetable oil-based 99.5pc refined glycerine tier continue stocking up on volume and focus more on rapeseed oil-based material as there is market concern that there will not be enough material for the coming year if the regulation comes into effect.

Yearly contracts for 2027 are being negotiated, with

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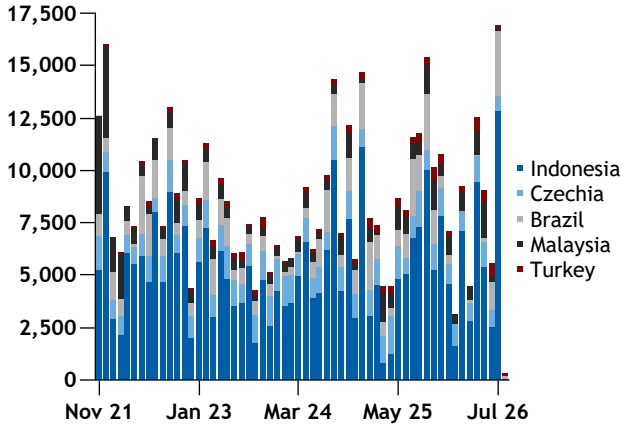
EUROPE (CONTINUED)

most initial offers at €1,400-1,500/t ex-tank for non-GMO vegetable oil-based 99.5 refined glycerine, depending on feedstock. Prices for non-GMO palm oil-based 99.5 refined glycerine are higher because sellers include an EUDR compliance premium.

Meanwhile, increased arrivals from southeast Asia pushed spot prices for this grade lower, as importers try to place volumes before EUDR comes into effect.

According to the most recent data from Eurostat, European countries imported over 17,000t of refined glycerine during July 2026, the highest level in the last 6 years, with most volume coming from Indonesia and Brazil.

EU refined glycerine imports by top 5 countries *t*



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.

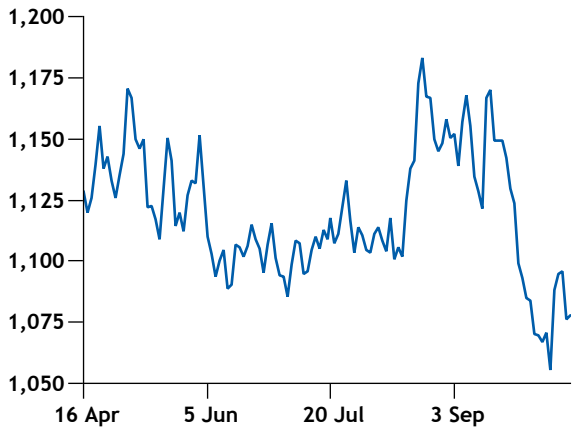
The EUDR is due to come into force for large and medium-sized operators and traders on 30 December and from 30 June for micro and small enterprises.

TROPICAL OILS

Tropical and key edible oils 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*



Tropical and key edible oils weekly pricing *$/t*

	02 Jan 26	2 Oct 26	9 Oct 26	Weekly trend
Fats and greases				
Crude palm oil fob Malaysia	985	1,080	1,075	▼
Crude palm kernel oil fob Malaysia	1,671	1,498	1,569	▲
Coconut oil cif rotterdam	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*

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TROPICAL OILS (CONTINUED)

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.

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.

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

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ECONOMIC VIEW (CONTINUED)

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.

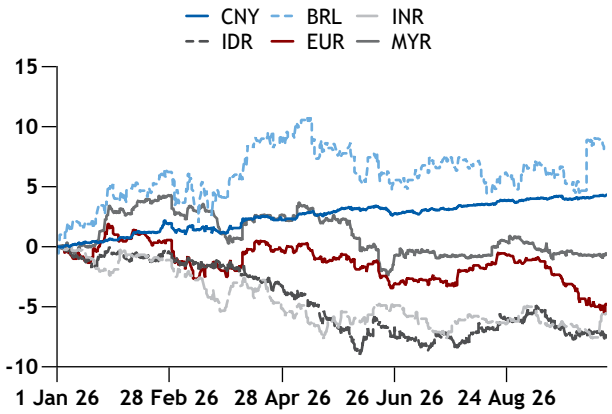
The report said overcapacity and the property slump continue to weigh on domestic demand while export strength is expected to fade.

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



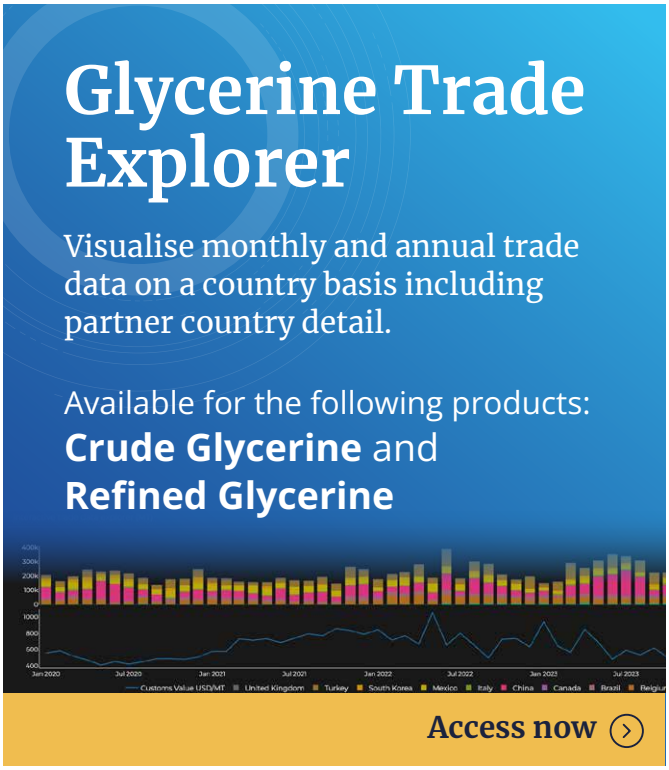
SHIPPING AND LOGISTICS

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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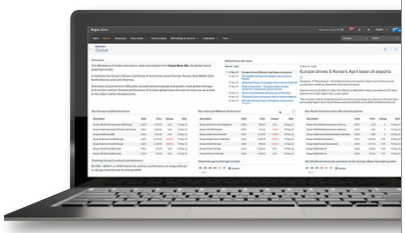

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