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Argus Fatty Acids

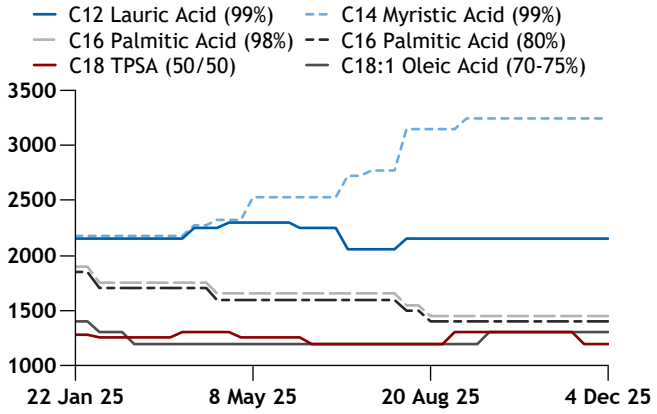
Issue 25-49 | Thursday 4 December 2025

OUTLOOK

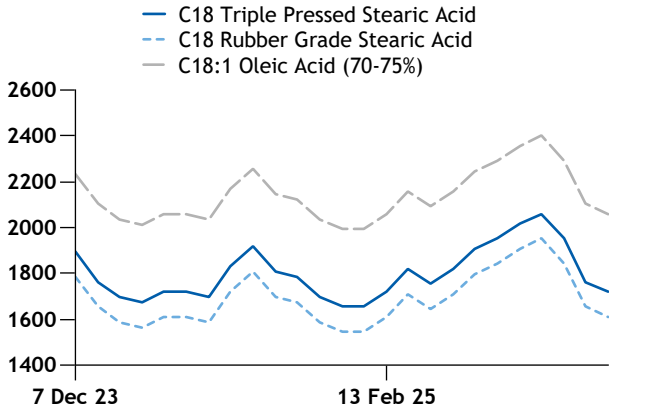
- EUDR delay approved by Parliament
- US tallow prices fall on weak demand
- Indian palm oil imports down

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	◄►	3,500	3,800	◄►	158.76	172.37
C8 Caprylic Acid (99%)						
FOB SE Asia Drums	◄►	4,850	4,950	◄►	219.99	224.53
C10 Capric Acid (98-99%)						
FOB SE Asia Drums	◄►	2,900	3,100	◄►	131.54	140.61
C12 Lauric Acid (99%)						
FOB SE Asia Bagged	◄►	2,100	2,200	◄►	95.25	99.79
C14 Myristic Acid (99%)						
FOB SE Asia Bagged	◄►	3,200	3,300	◄►	145.15	149.69
C16 Palmitic Acid (80%)						
FOB SE Asia Bagged	◄►	1,350	1,450	◄►	61.24	65.77
C16 Palmitic Acid (98%)						
FOB SE Asia Bagged	◄►	1,400	1,500	◄►	63.50	68.04
C18:1 Oleic Acid (70-75%)						
FOB SE Asia Drums	◄►	1,200	1,400	◄►	54.43	63.50
C18 Stearic Acid Triple Pressed (50/50)						
FOB SE Asia Bagged	◄►	1,150	1,250	◄►	52.16	56.70
C18 Stearic Acid Triple Pressed (38-42)						
FOB SE Asia Bagged	◄►	1,100	1,200	◄►	49.90	54.43

China spot prices $/t*

	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov
C18 Stearic Acid					
N.E. China EXW	1,350	1,334	1,296	1,287	1,272

**USD/MT, Includes 13% VAT*

US Contract (Dec)

	Δ	¢/lb		Δ	$/t	
C16 Palmitic Acid (80%)						
DEL Midwest	◄►	80.75	92.75	◄►	1,780	2,045
C16 Palmitic Acid (98%)						
DEL Midwest	◄►	86.75	96.75	◄►	1,913	2,133
C18 Triple Pressed Stearic Acid						
US DEL Midwest	▼-2.00	75.00	81.00	▼-2.00	1,653	1,786
C18 Rubber Grade Stearic Acid						
US DEL Midwest	▼-2.00	70.00	76.00	▼-2.00	1,543	1,676
C18:1 Oleic Acid						
US DEL Midwest	▼-2.00	88.50	98.25	▼-2.00	1,951	2,166

Northwest Europe spot prices $/t

	Δ	Prices		Δ
C18:1 Oleic Acid				
CIF NWE Isotanks	◄►	1,700	1,800	◄►
C18 Stearic Acid Triple Pressed				
CIF NWE Bagged	◄►	1,650	1,750	◄►

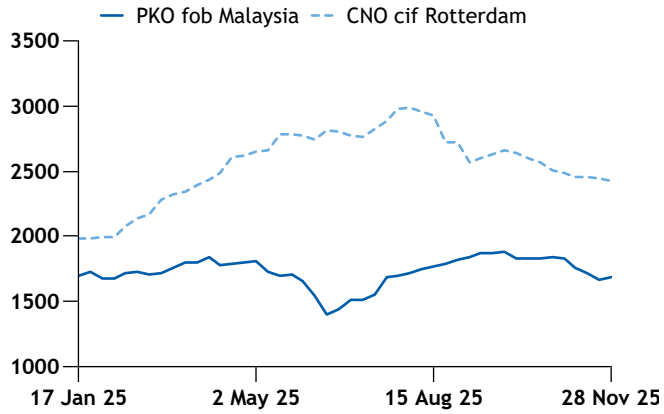
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ASIA

The Asian fatty acids market remains muted, with most grades maintaining stable price levels. Persistent uncertainty in the broader economic environment has kept buyers on the sidelines, limiting transactional activity and dampening overall market momentum. Market participants are closely monitoring flooding in Indonesia, particularly in Sumatra, one of the country's key palm oil producing regions, as any disruption could significantly affect yields.

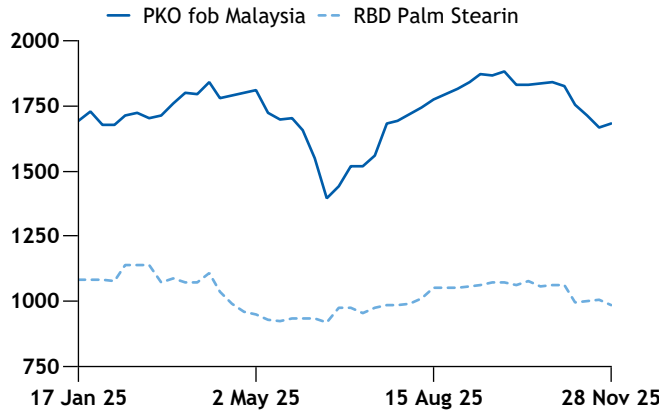
CNO vs PKO, weekly average $/t



In industry news, South Korean steel giant Posco International has acquired a majority share in Indonesian palm oil producer Sampoerna Agro, and has inaugurated a palm oil refinery, allowing the firm to ensure a stable supply of edible oil and biodiesel feedstock.

Posco has added 128,000 hectares of palm plantations through the acquisition deal. Posco disclosed it now owns a total 150,000ha of farmland in Indonesia in addition to its existing palm plantations in Papua, Indonesia. The plantation acquisition is intended to reduce South Korea's reliance on edible oil imports with stable palm oil supply from Indonesia, Posco said.

RBD palm stearin vs PKO, weekly average $/t



Change to December publishing schedule

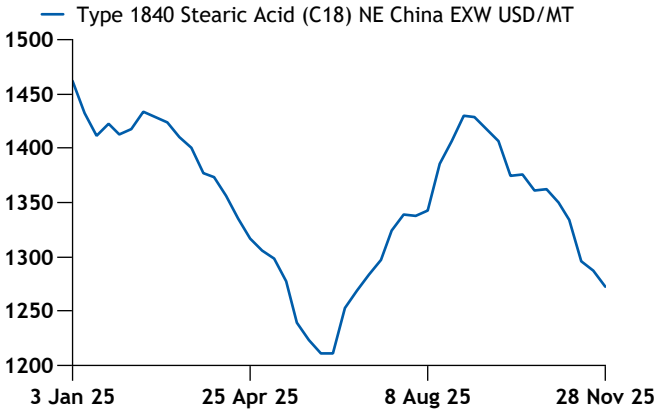
Following consultation, *Argus* will not publish the Fatty Acids, Fatty Alcohols, and Glycerine bulletin reports on 24 December, and will publish the bulletin reports instead on 31 December because of the holidays.

Posco has also completed the AGPA Refinery Complex (ARC), a palm oil refinery in East Kalimantan with a 500,000 t/yr capacity — equivalent to about 80pc of South Korea's annual imports of refined palm oil — in partnership with South Korean energy and chemical company GS Caltex. Crude palm oil produced from the acquired palm plantations will be supplied to ARC to be processed into refined palm oil, and will be sold both domestically and exported to South Korea, China and other countries, according to Posco. GS Caltex aims to support the South Korean biofuels industry by supplying refined palm oil from the refinery as a biodiesel feedstock.

China

Triple pressed C18 stearic acid prices dipped lower to around $1,272/t exw northeast China.

China spot C18 stearic prices $/t



India

Palm oil arrivals to India — crude and refined products — fell to 7.58mn t in 2024-25 from 9.02mn t in the previous season, driven mainly by lower arrivals of refined palm oil. Importers have been deterred from buying refined products because of their higher import duty compared with crude palm oil since May. India raised its import duty on palm olein to 19.25pc in May from 8.25pc previously.

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ASIA (CONTINUED)

Indonesia was the largest exporter of palm oil to India in 2024-25, supplying 3.59mn t, down from 4.83mn t the previous season. Malaysia also reduced its palm oil shipments to India, to 2.8mn t from 3.25mn t in 2023-24.

India imported 16.3mn t of vegetable oils in the 2024-25 marketing year ending in October, up by 1pc from 16.2mn t a year earlier.

Weather in key production regions

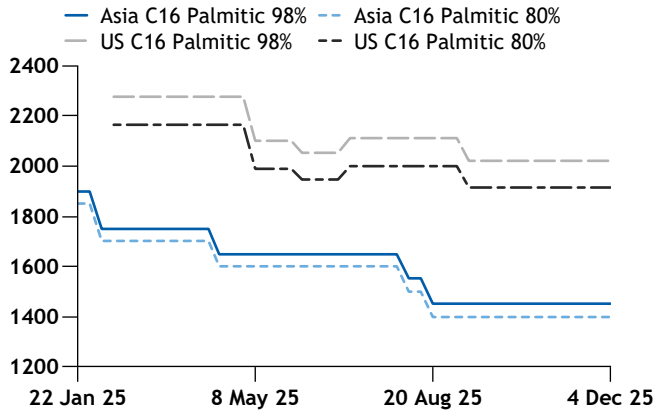
In Indonesia, the Badan Nasional Penanggulangan Bencana reported flooding in Sumatra, one of the biggest palm oil producing provinces in the country. The National Disaster Risk Reduction and Management Council of the Philippines also reported flooding and landslides in various regions of the country.

Latest assessments of the El Niño-Southern Oscillation (ENSO) indicate La Niña is underway, according to the Australian Bureau of Meteorology (BoM). The Bureau's model currently predicts that tropical Pacific Ocean temperatures are likely to remain at La Niña levels until early 2026 before returning to neutral. This timing aligns with most international models assessed. Observations in the tropical Pacific Ocean have been consistent with La Niña conditions since early October, the BoM said.

US

US tallow-based contract prices fell for the third month in a row in December owing to the limited demand and a fall in feedstock costs. Tallow consumption in oleochemicals has declined, indicating weaker industry demand. At the same time, US palm-based contract prices remained unchanged in December, due to stable feedstock costs.

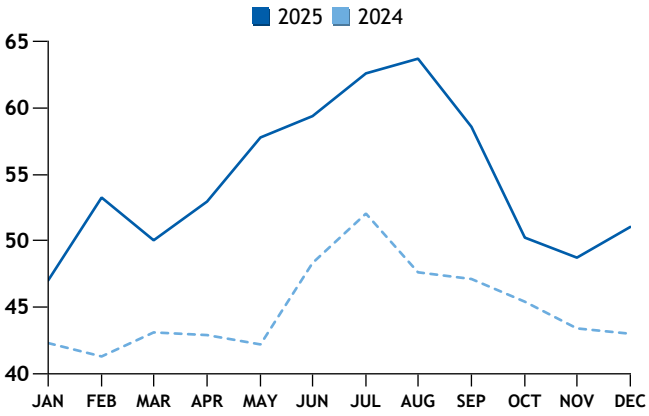
C16 fatty acids, US & Asia pricing spreads $/t



Indonesia is reportedly reluctant to agree to a trade deal with the US. According to reports, the resistance from the southeast Asian country emerged during negotiations to finalise a preliminary trade deal. Indonesia rejected the clauses, stating they placed undue restrictions on the nation's freedom to act, the report added. Malaysia and Cambodia agreed to similar deals with the US a few weeks earlier.

The US and Indonesia were reportedly close to finalising a trade deal. The agreement would allow certain Indonesian commodities not produced in the US such as crude palm oil, tea, and coffee, to enter the US market tariff-free, while Indonesia would import US energy products, according to Indonesian media reports.

Tallow monthly average prices ¢/lb



The US Department of Agriculture reports 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 rates including calves were reported at 577,744 reported for the week ending 15 November, compared to 612,391 from a year earlier.

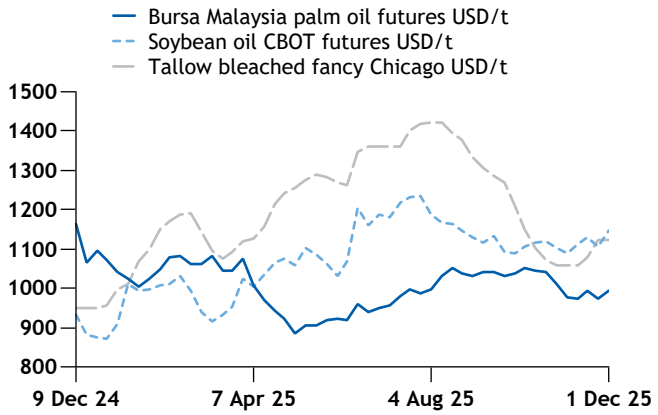
Slaughter volumes provide insight into supplies of rendered fats, which are used as soaps, animal feed and feedstocks for renewable biofuels and oleochemicals. About 50pc of a slaughtered animal is used for human consumption and the remaining half is rendered.

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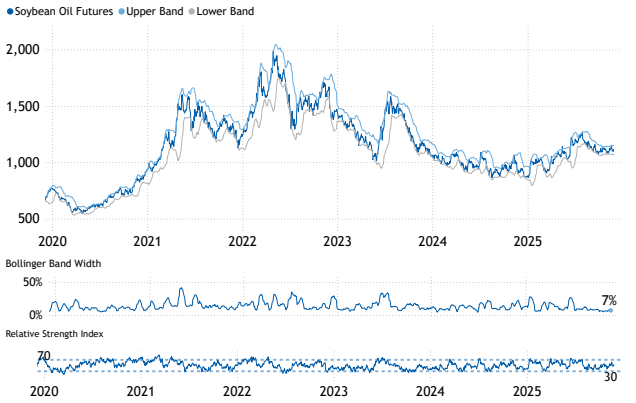
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US (CONTINUED)

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



Soybean oil futures ¢/lb



Meanwhile, US rail costs are currently discussed at about 4-6¢/lb, depending on destination, with truck costs at about a 6-8¢/lb premium over rail.

In other vegetable oil markets, SBO futures contracts on the CME traded around 52.47¢/lb for January.

Mass balance premium

Mass Balance premium for volume sold with certification is heard at 5-9 ¢/lb.

Truck freight from the US Gulf to Midwest generally ranges 8-10 cents/lb

Truck freight from the US Gulf to East Coast generally ranges 8-12 cents/lb

EUROPE

The European fatty acids market remained stable, due to slow demand and limited levels of market activity.

European palm oil imports from July to mid-November totalled 1.08mn t, down by 239,400t on the year, and the lowest level for the last 12 years. The bloc's annual palm oil imports have been gradually decreasing since the 2019-2020 marketing year because the EU restricted palm oil use in biofuel production under the Renewable Energy Directive and tightened sustainability certification. Palm oil imports are unlikely to recover this season, despite the delay in the EU deforestation regulation (EUDR) by another year.

On 26 November, the European Parliament approved a one-year delay of the EUDR, allowing for a final agreement on the postponement in the coming weeks.

The delay still needs to be procedurally agreed and published before the end of the year. That will now prevent EUDR due diligence requirements entering into force on 31 December for commodities such as palm oil and derivatives, including palm oil-based fatty acids.

The parliament voted for a position similar to that of EU states, granting firms an additional year to comply with EUDR rules. When published in the bloc's official journal, large operators and traders will have to comply from 30 December 2026 followed by small and micro firms from 30 June 2027. Parliament also called for a "simplification" review by 30 April 2026 to assess the EUDR's impact and administrative burden.

Parliament is ready for discussions with EU states, which earlier in November agreed a similar position, paving the way for speedy negotiations on a final text. Agreement must be reached before parliament's final plenary meeting on 15-18 December to avoid the EUDR taking effect at the end of this year.

Parliament's large majority, with 402 for and 250 against, indicates significant backing for the one-year delay. But the Greens accused parliament's largest centre-right EPP group of working with far right parties to "unravel" the EUDR. The Greens asked the commission to withdraw its initial October proposal for a one-year delay for small operators and six-month grace period for medium and large operators.

"The review clause will open another occasion for further destruction in just a few months' time. Instead of finding a straightforward technical solution to their IT issue, the EU commission has taken an unnecessary risk," said Austrian Green Thomas Waitz, a member of parliament's agriculture committee.

"Our position is based on the compromise that was supported by 24 member states," said German EPP member Christine Schneider, who will lead negotiations for parliament with EU states for a final legal text. "We also insisted on relief measures for micro and small producers in low-risk countries to ensure proportionate application for farmers and foresters," said Schneider.

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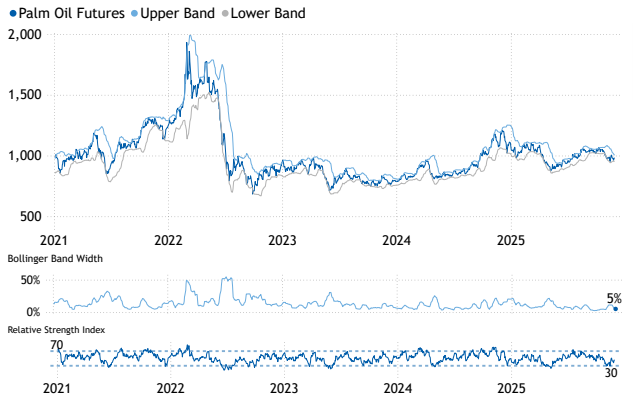
TROPICAL OILS

Tropical and key edible oils weekly pricing				$/t
	3 Jan 25	21 Nov 25	28 Nov 25	Weekly trend
Fats and greases				
Crude palm oil fob Malaysia	1,073	994.64	973.53	▼
Crude palm kernel oil fob Malaysia	1,763	1,668	1,683	▲
Coconut oil cif Europe	1,980	2,446	2,428	▼
RBD palm olein fob Malaysia	1,125	1,033	1,014	▼
Palm fatty acid distillate fob Malaysia	970	1,008	970	▼
RBD palm stearin fob Malaysia	1,115	1,008	985	▼
Rapeseed oil fob Dutch mill	1,114	1,261	1,261	◄►
Soybean oil futures CBOT	872	1,130	1,105*	▼
Bleached fancy tallow del Chicago	956	1,080	1,124*	▲
Used cooking oil				
Used cooking oil cif ARA	1,060	1,139	1,122	▼
Used cooking oil fob China bulk	978	1,096	1,090	▼

* 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	2 Dec	4,100.00
FCPO1!	Palm oil futures $/t	MYX	2 Dec	992.50
ZL1!	Soybean oil futures $/t	CBOT	2 Dec	1,152.14

Palm oil futures $/t



Usual interpretation and usage of the RSI are that values of 70 or above indicate that a security is becoming overbought or overvalued and may be primed for a trend reversal or corrective pullback in price. An RSI reading of 30 or below indicates an oversold or undervalued condition.

Bollinger Band Width percentage illustrates volatility in percentage terms. The higher the value, the greater the recent percentage price swings in a commodity or stock.

Palm taxation

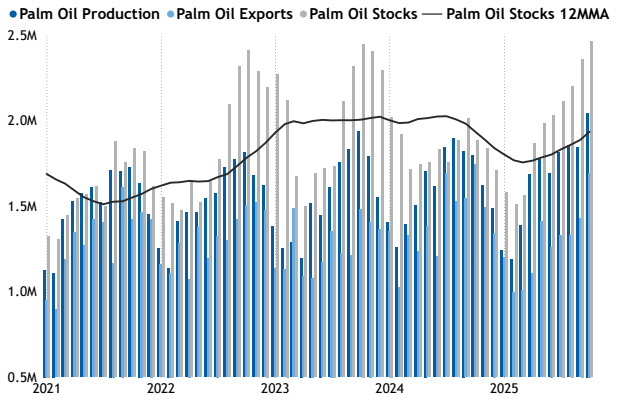
During December 2025, Malaysia's CPO export duty will continue at the highest rate of 10pc, although the country's CPO reference price moved down for the month. The CPO reference price used to set the duty fell to 4,206.38 ringgit/t ($1,019/t) in December, down from 4,262.23 ringgit/t in November, according to the country's palm oil board.

MPOB

Malaysian palm oil stocks rose for an eighth straight month in October to a 6.5-year high, Malaysian palm oil board (MPOB) data show.

Palm oil stocks rose by 4pc on the month to 2.5mn t in October, according to preliminary data from MPOB. Inventories were also 31pc higher than a year earlier. CPO futures on Bursa Malaysia also fell by 3pc over October, suggesting weaker demand for palm oil.

Malaysia palm oil production, exports, stocks t



Malaysian CPO production rose by 14pc from a year earlier to 2mn t in October, driven by higher output from east Malaysia. Supply out of Sabah and Sarawak rose by 19pc and 15pc respectively on the month to 446,000t and 481,000t, while output from peninsular Malaysia rose by 7pc to 1.1mn t over the same period.

Malaysia's palm oil exports rose by 19pc on the month to 1.7mn t in October. Oleochemical exports rose by 8pc to 254,000t from September. Biodiesel exports declined by 68pc on the month to 11,000t in October, but the total exported volume in January-October was 21pc higher at 276,000t compared with the same period in 2024.

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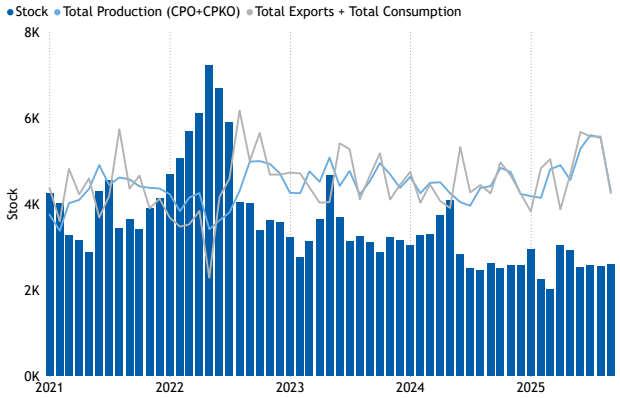
TROPICAL OILS (CONTINUED)

GAPKI

Indonesia's palm oil stocks rose in September as domestic consumption eased, data from industry group Gapki show.

Stocks climbed by 1.9pc on the month to 2.59mn t, signalling weaker domestic demand and slower exports. Stock levels are a key indicator of supply-demand trends, and Indonesia's monthly data garners close attention as the country produces more than half of global palm oil.

Indonesia palm oil production, exports, stocks *'000t*



Indonesian palm oil product exports fell by 36.6pc from August to 2.20mn t in September, but were down just 2.7pc from a year earlier. Oleochemical exports dropped by 53pc on the month to 93,000t, while CPO exports fell by 81.5pc to 91,000t from 494,000t in August. Total palm oil exports over January-September rose by 13.4pc to 24.9mn t compared with the same period in 2024.

Total palm oil output fell by 22.4pc on the month to 4.3mn t in September, with CPO down 22.3pc at 3.9mn t and palm kernel oil down 23.9pc at 366,000t. Over the first nine months of the year, total palm oil output increased by 11.3pc to 43.3mn t.

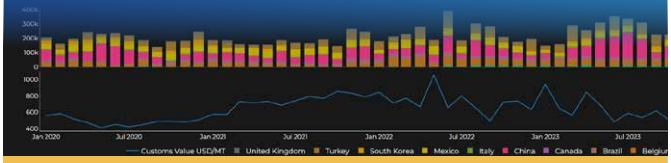
Domestic consumption fell by 3.2pc on the month to 2mn t in September. Biodiesel use dropped by 3.7pc to 1.07mn t, food demand eased by 1.6pc to 793,000t, while oleochemical consumption rose by 3.8pc to 190,000t. Domestic palm oil consumption during January-September climbed to 16.4mn t, a 5.1pc increase compared with the same period last year.

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ECONOMIC VIEW

The US reported a growth in employment in the month of September after a slow summer. Total nonfarm payroll employment was up by 119,000 in September, the US Bureau of Labor Statistics said after a government shutdown in the country delayed the publication of key reports.

However, the unemployment rate edged up to 4.4pc in September from 4.3pc. The job growth has not changed significantly since April.

The consumer confidence index was down at 88.7 points in November from 95.5 points in the previous month, according to think tank the Conference Board.

This points to consumer confidence falling sharply in November, hitting its lowest level since April after months of stagnation. All components of the index weakened, with the present situation index reflecting reduced optimism regarding business and labour market conditions.

Expectations for business conditions, employment prospects, and household income over the next six months have all declined, with income expectations dropping significantly after a period of strong gains, according to the think tank.

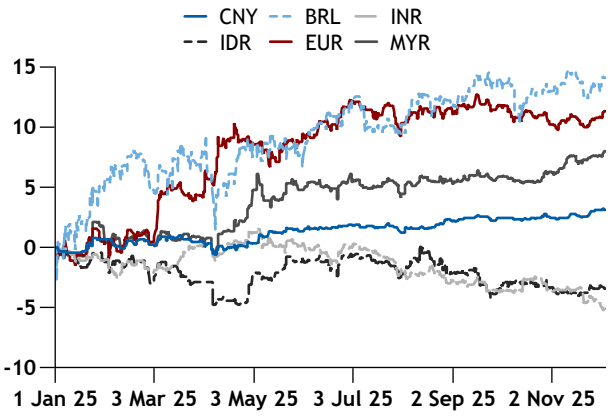
On the other side of the Atlantic, the UK's chancellor Rachel Reeves announced the country's autumn budget. The budget includes new taxes and tax freezes. The income tax threshold for employees, meaning the point at which people start paying higher tax rates, will remain unchanged till 2031. This would mean that pay hikes for employees could push earners into higher tax bracket.

The autumn budget was presented amid ongoing uncertainty over the UK's public finances and growing dissatisfaction with the governing Labour Party.

Currency

Expectations of another interest rate cut by the Federal Reserve at its next monetary policy meeting continues to weigh on the US Dollar. The US Dollar Index, which tracks the Greenback's value against a basket of six major currencies, is trading around 99.20, having earlier slipped to two-week lows.

Key oleochemical currencies' performance vs $ ±%YTD



SHIPPING AND LOGISTICS

US container ports are set to end 2025 with volumes close to last year, despite a turbulent start and slowing imports. The port of Los Angeles handled 848,400 TEUs (Twenty-Foot Equivalent Units) in October, down 6pc year-on-year. However, volumes through the first 10 months of 2025 rose 2pc to 8.6 million TEUs, keeping the port on track for a possible 10-million milestone, according to an analyst report. A seasonal dip of up to 15pc is expected through year-end.

Looking to 2026, port leaders remain cautious amid high tariffs and unresolved trade deals, delaying investment and hiring, according to the report.

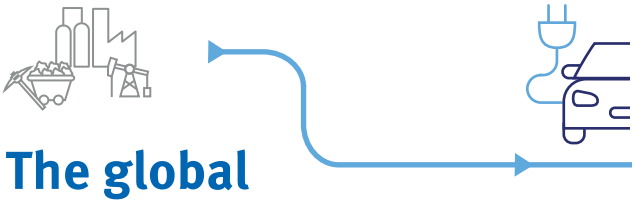
Drewry's World Container Index (WCI) declined by 2pc to $1,806 per 40ft container on 27 November, largely driven by lower freight rates on Transpacific and the Asia-Europe routes.

Freight rates from Shanghai to Los Angeles fell 4pc to $2,089 per 40ft container, and spot prices for Shanghai to New York also declined 6pc to $2,735 per 40ft container.

Drewry's Container Capacity Insight indicates that blank sailings on the Transpacific route will ease, boosting available capacity. As a result, Drewry expects freight rates to soften slightly heading towards the end of the year.

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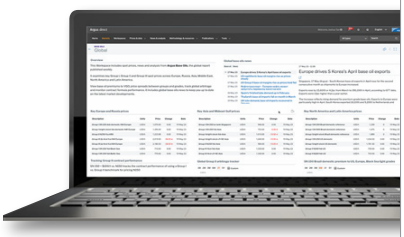


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Argus *Fatty Acids* is published by Argus Media group

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ISSN: 2754-5083

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