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Malaysia's Palm Oil prices expected to surge above RM4,300 in 2024; MPOC forecast

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Malaysiaâ??s state agency Malaysian Palm Oil Council (MPOC) spokesperson stated in a recent public interaction that the crude palm oil prices in Malaysia is predicted to trade at RM3,700 to RM4,200 a metric ton in the second half of 2023, and expected to remain supported in the long term.

MPOC deputy director Mohd Izham Hassan explained that, by 2024 there is a strong possibility that prices may rise above RM4,300 a metric ton. A number of market uncertainties have contributed to this, including those surrounding the supply of Black Sea sunflower oil and Malaysia's palm oil production, which has remained below expectations.

Malaysia reported to be the worldâ??s second-largest palm oil producer during the first half of 2023 which was nearly 3% lower than in the same period last year. So far this year, Malaysia's benchmark crude palm oil futures have declined 7%. In July, traders weighed a decline in rival soft oil prices and supply concerns as they traded around RM3,882.

MPOC deputy director forecast largest buyers from India and China to import a combined total of 16.5 million tonnes of palm oil by December 2023, up from 15 million tonnes in 2022. He foresees higher demand for palm oil from ASEAN and MENA due to insufficient domestic production and competitive price of palm oil in those regions.