

Malaysia Palm Oil prices may rise above RM4,300 in 2024 on supply, says MPOC

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Heading into 2024, there is a strong possibility that prices may rise above RM4,300 a metric ton, MPOC deputy director Mohd Izham Hassan said in a webinar. This is due to market uncertainties including those surrounding Black Sea sunflower oil supply and Malaysia's palm oil production that has remained below expectations, Mohd Izham said.

Production in the world's second-largest producer during the first half of 2023 was nearly 3% lower than in the same period last year, Mohd Izham added.

Malaysia's benchmark crude palm oil futures have declined 7% so far this year. They traded around RM3,882 on Tuesday, as traders weighed a decline in rival soft oil prices and supply concerns.

On demand, Mohd Izham forecast largest buyers 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.

"ASEAN and MENA regions will also see higher demand for palm oil due to insufficient domestic production and competitive price of palm oil," he added.