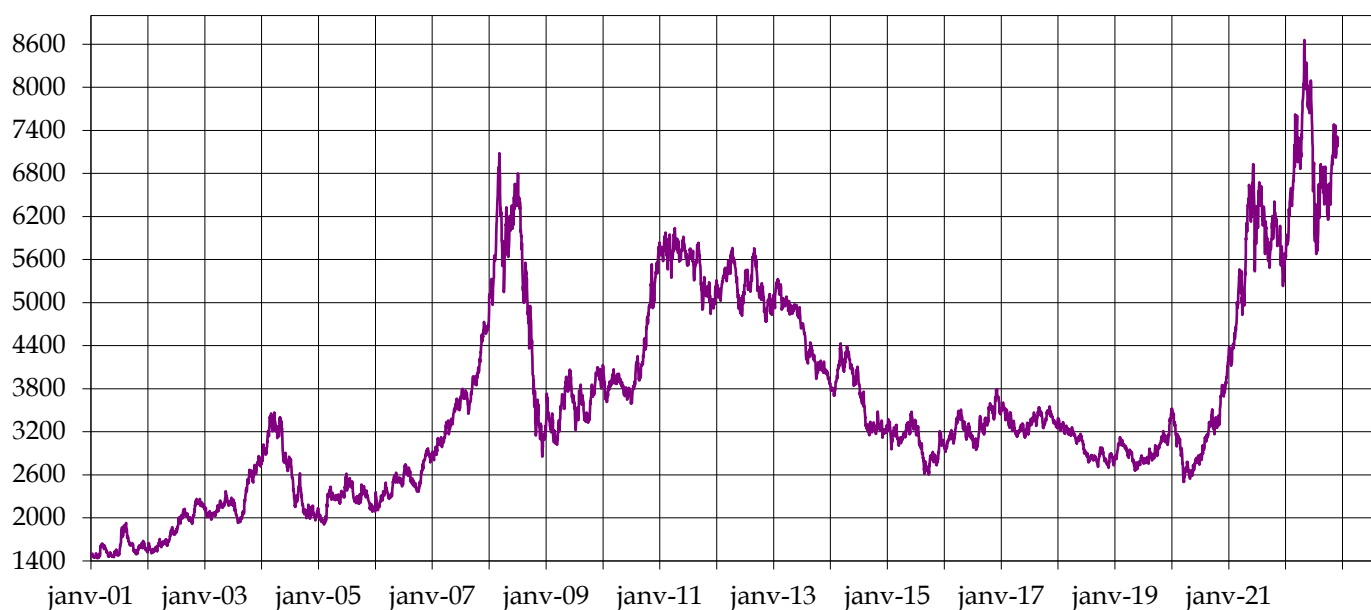


November 2022 MARKET REPORT

- Chicago market report - soyaoil

CRUDE SOYBEAN OIL IN CHICAGO SINCE 2001

cents / Livre (Pound)



Expectations of rising demand from China first supported the market as health restrictions seemed to ease. A few days later, situation changed with the increasing number of COVID-19 cases.

Geopolitical tensions between Russia and Ukraine remain. However, the United Nations extended for 120 days the deal aimed at easing global food shortages by facilitating agricultural exports from Ukraine's southern Black Sea ports.

In China, imports of soybeans fell 19% in October from a year earlier, hitting their lowest level for any month since 2014, after buyers cut purchases amid high global prices and poor crush margins.

In Brazil, soybean planting has reached 87%, versus 86% last year at the same period, according to *AgRural*. The irregular rains have concerned some Brazilian growers. Moreover, with the recent change in government, biodiesel mandates could be challenged.

In Argentina, drought condition remains. Soybeans were only 17% planted versus last year's relatively normal 31%.

There is a 76% chance of La Niña conditions continuing through the northern hemisphere winter (December-February) 2022-23 with 57% chance for neutral conditions during February to April 2023.

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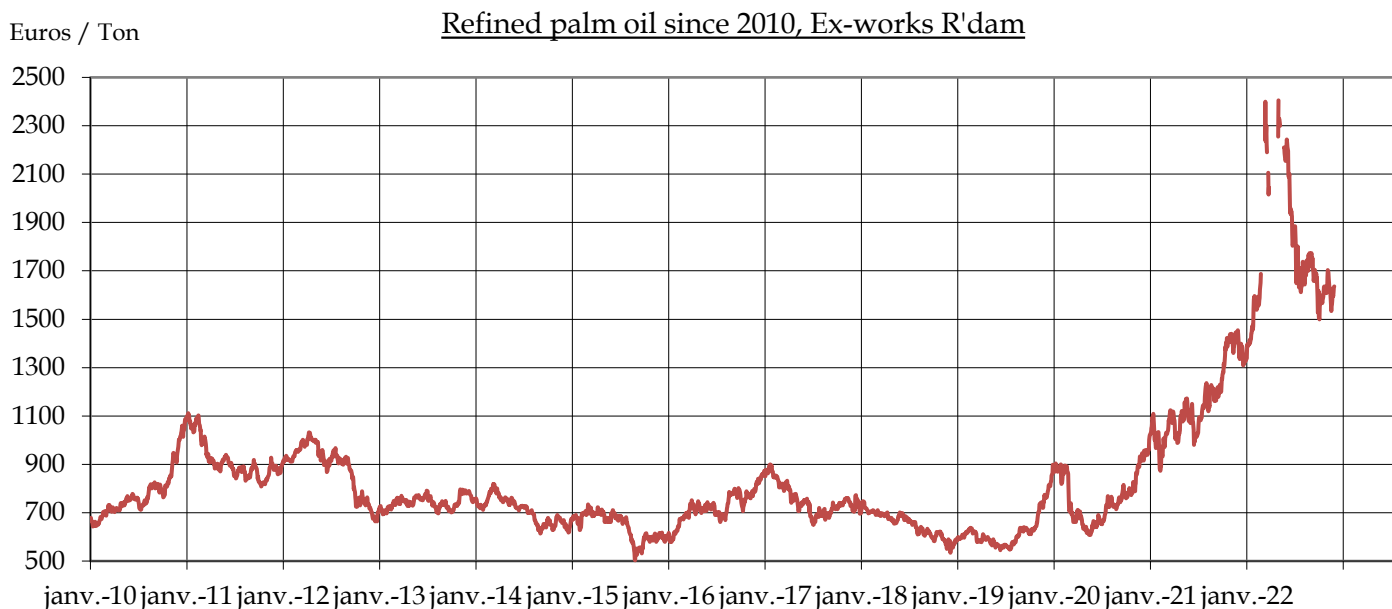
USDA Report - November 2022		Estimation USDA	Market expected	Last month estimation
US 2022-23 soybean crop	<i>in million of bushels</i>	4 346	4 315	4 316
	<i>in million of tons</i>	118,28	117,4	117,38
US 2022-23 soybean ending stocks	<i>in million of bushels</i>	220	212	200
	<i>in million of tons</i>	5,99	5,77	5,44
Brazil 2021-22 soybean crop	<i>in million of tons</i>	152		152
Argentina 2021-22 soybean crop	<i>in million of tons</i>	50		51

NOPA members estimates - in U.S.A:

- Soyoil supplies as of October 31 rose to 1.535 billion of pounds (lbs) versus 1.459 billion lbs at the end of September and 1.834 billion lbs a year ago.

- 184 million of bushels of soybeans have been crushed last month, versus 158 million in September and 183.9 million a year ago.

▪ **Palm oil**



Malaysia: Prices are buoyed by strong palm oil exports in November, with production expected to fall.

The country has maintained its December export tax for crude palm oil at 8% and raised its reference price at 3,847.24 ringgit (\$866.50) per ton for December vs 3,575.80 ringgit/ton for November.

MPOB Report <i>(Malaysian Palm oil Board)</i>	STOCKS <i>in tons</i>	PRODUCTION <i>in tons</i>	EXPORTS <i>in tons</i>
October 2022	2,403,719	1,813,591	1,503,779
September 2022	2,317,020	1,770,441	1,423,195
October 2021	1,834,568	1,725,837	1,420,574

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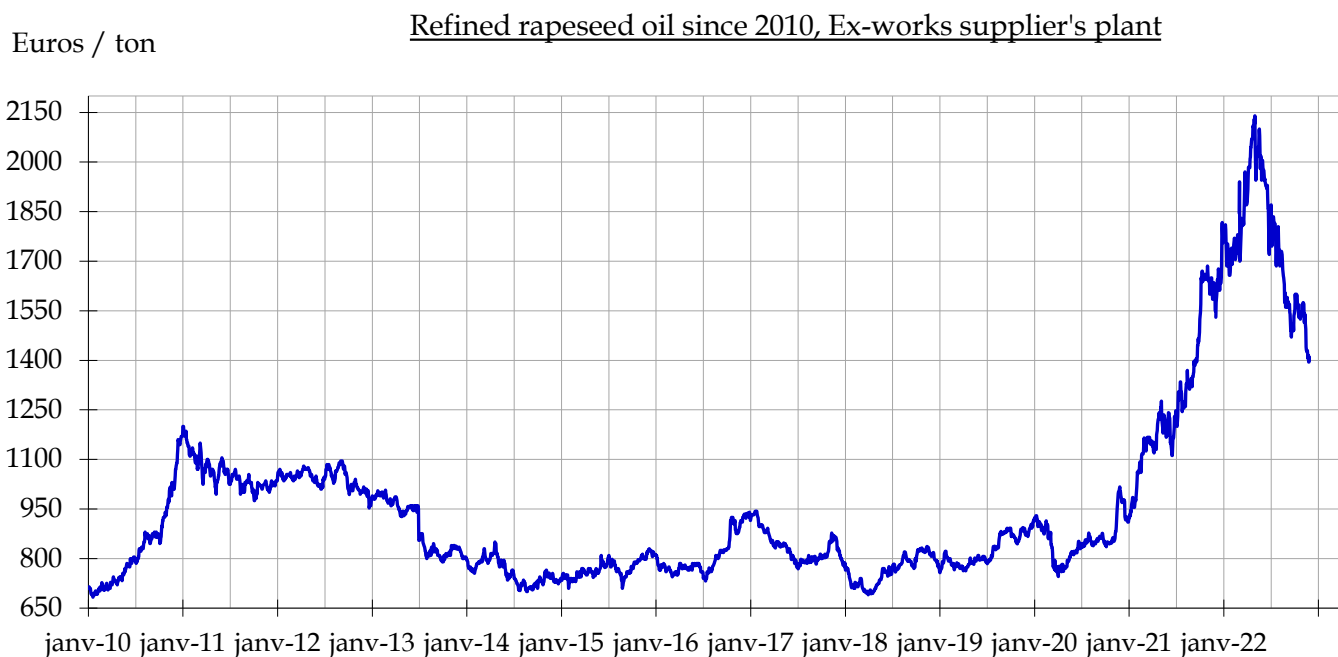
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Several analysts gathered at a palm oil conference:

- According to *Thomas Mielke*, global palm oil output is seen increasing by 2.9 million tons in the 2022/23 season. Vegetable oil prices have been volatile this year and this volatility could happen again in 2024 if production did not increase and if biodiesel policies were not made with thorough consideration.
- According to *Indonesia Palm Oil Association (GAPKI)*, palm oil prices are likely to remain around current levels until the end of the year but weaken in 2023 because of a slowing global economy.
- *Dorab Mistry* said that Malaysia's palm oil contract is expected to trade between 3,500 to 4,500 ringgit per ton in the period from now until the end of March next year unless Brent crude prices fell to \$70 per barrel. Palm oil will not be as competitive in 2023 if there is a big soya crop in South America.
- Edible oil demand in the three biggest markets (China, India, and European Union) is very mixed, *James Fry* told. If Indonesia implemented its B40 biodiesel mandate in January, prices could increase.
- *Malaysian Palm Oil Board* expects crude palm oil supply disruption in the first quarter of 2023 following tropical storms that could hurt harvesting efforts. Meanwhile, a weakened ringgit will continue to make palm oil prices attractive, thus encouraging demand. However, domestic palm oil stockpile may rise next year as it faces competition from Indonesia.

India raised the base import prices of crude and refined palm oil, the government said. For the crude palm oil, the new price is 960\$/ton versus 952\$ previously, and for the refined palm oil the price is now 988\$/ton versus 962\$/ton.

▪ **Rapeseed oil**



Prices trending downwards as good harvest results, concerns about falling demand from China and the extension of the Black Sea grain corridor agreement. Euronext February rapeseed futures fell breaching the psychological 600-euro floor.

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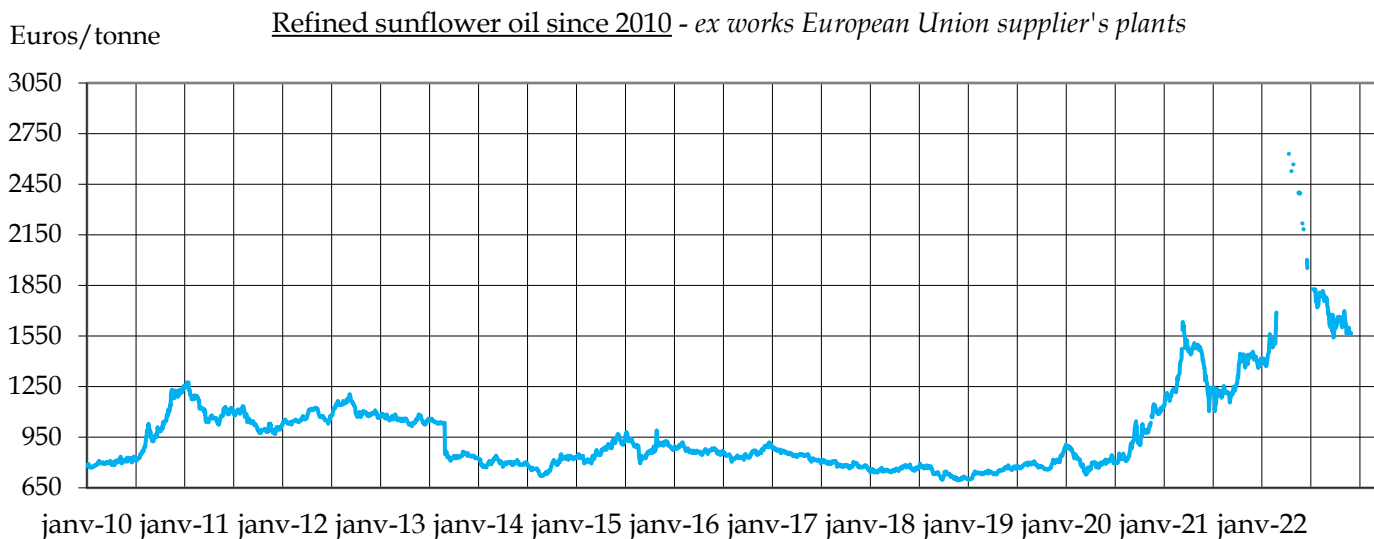
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In European Union, *Strategie Grains* raises its 2022 rapeseed crop to 19.51 million of tons from last month's forecast of 19.46 million. The consultancy put the harvestable area at 6.0 million hectares, up 2.4% from the current season.

According to *Refinitiv*, continued favorable weather maintains 2023/24 EU + UK rapeseed production at 21.3 million of tons, 4% above its estimate for 2022/23.

French farm ministry unchanged its figures at 4.51 million of tons.

- **Sunflower Oil**



Sunflower oil prices follows the trend of the oilseed complex. Euro/dollar parity is favorable for the European prices.

In European Union, *Strategie Grains* lowered its sunflower seed crop forecast to 9.18 million of tons from 9.25 million seen previously but still 10% below last year.

In France, farm ministry unchanged its estimates for the 2022 sunflower seed harvests at 1.83 million tons from last month.

- **Euro/dollar**



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Better-than-expected U.S. retail sales last month could help underpin the American economy in coming months.

Federal Reserve Chairman Jerome Powell said that the U.S. central bank could scale back the pace of its interest rate hikes "as soon as December," helping to put the dollar index on track for its worst month since 2010.

In Britain, data released showed inflation continues to rise, hitting 11.1% a 41-year high in the 12 months to October.

In China, a rise in the number of new COVID-19 led the authorities to announce new health restrictions. As a result, unprecedented street protests started in the country.

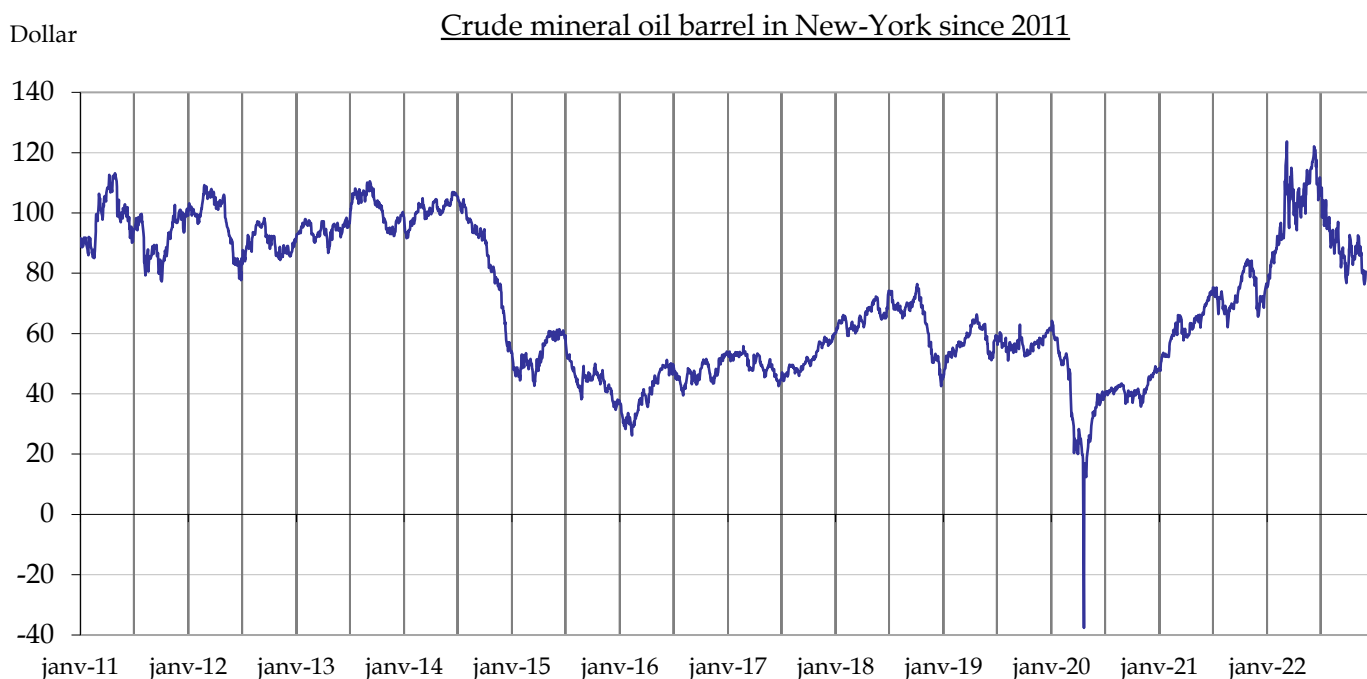
- **Crude oil**

Crude oil prices fell more than 3% on Wednesday, continuing a streak of volatile trading, as the Group of Seven (G7) nations considered a price cap on Russian oil above the current market level.

The European Union's embargo on Russian oil for its invasion of Ukraine is set to start on Dec. 5 and will be followed by a halt on oil product imports in February.

G7 and Australia will ban seaborne shipments of Russian oil cutting the trade off from financial services and potentially halting it worldwide.

OPEC+ production fell in October for the first time since June. They agreed on Dec.4 to stick to their October plan to cut output by 2 million barrels per day from November through 2023.



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