

Volatil market.

US weather conditions improved at the beginning of the month, providing temporary relief for the market.

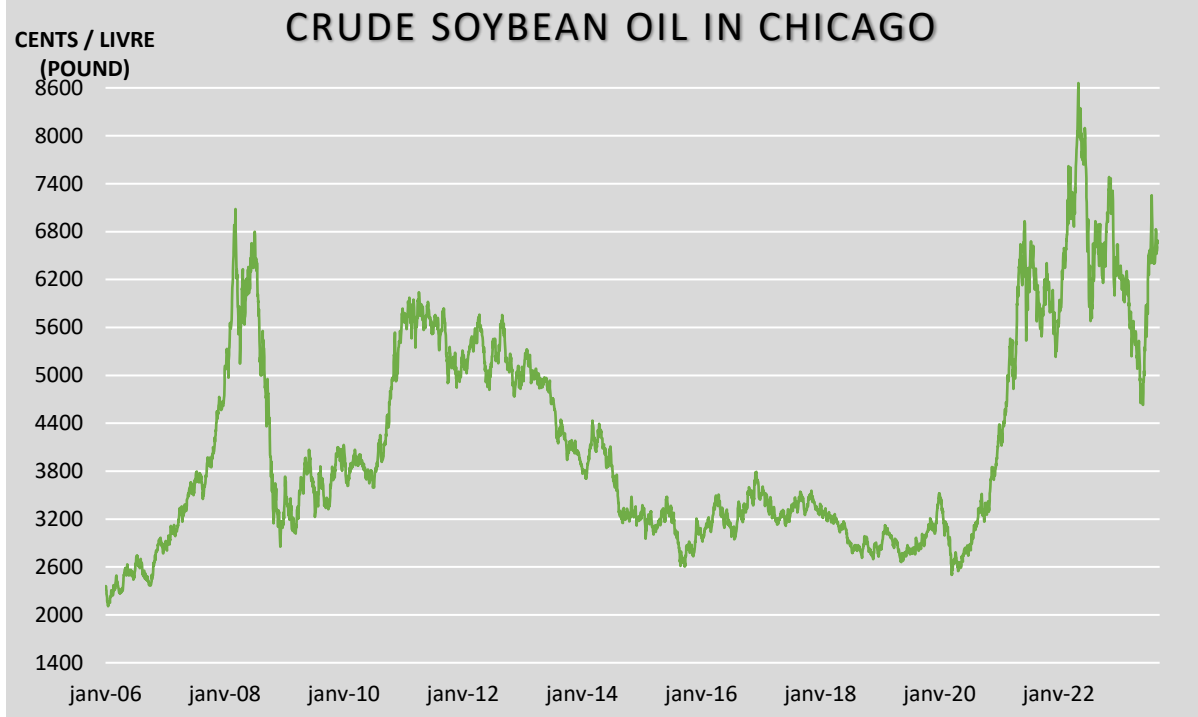
However, at the end of the month, hot and dry weather was to return.

The American 2023 soybean crop could reach 4.110 billion bushels, *Pro Farmer* said, below the USDA's most recent estimate of 4.205 billion bushels.

Export demand has been solid.

China imported 9.73 million tons of soybeans in July 2023, up 23.5% from a year ago. Imports in the first seven months were up 15% vs 2022.

NOFA processed 173.303 million bushels of soybeans last month, the largest July crush on record, up 5% from June and up 1.8% from July 2022. Soyoil supplies as of July 31 fell to a 10-month low of 1.527 billion pounds, down from 1.690 billion pounds at the end of June and 1.684 billion pounds at the end of July 2022.



USDA Report –August 2023	Estimation USDA	Market expectations	Last month estimation
US 2023/24 soybean crop <i>in millions of bushels</i>	4 205 <i>114,44 M of tons</i>	4 246 <i>115,56 M of tons</i>	4300 <i>117,03 M of tons</i>
US 2023/24 soybean ending stock <i>in millions of bushels</i>	245 <i>6,67 M of tons</i>	267 <i>7,27 M of tons</i>	300 <i>8,16 M of tons</i>
Brazil 2023-24 soybean crop <i>in millions of tons</i>	163	163	163
Argentina 2023-24 soybean crop <i>in millions of tons</i>	48	43	48

Market follows soybean trend.

Exports of Malaysian palm oil products for August fell 3% to 1,201,488 tons from 1,238,438 tons shipped during July, *ITS* said.

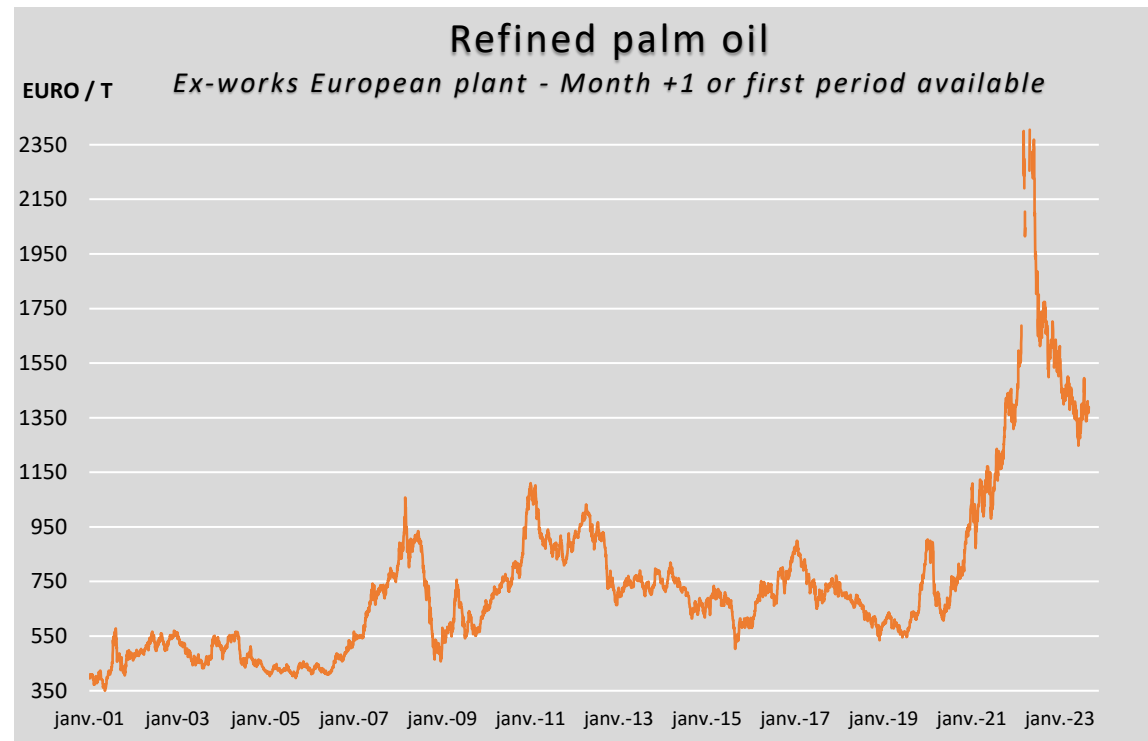
In India, demand is increasing amid the festive season. In addition, the country is poised for its lowest monsoon rains in eight years, with the El Niño weather. The country's palm oil imports in July jumped 59% from the previous month to 1.08 million metric tons, the highest in seven months.

Malaysia has maintained its September export tax for crude palm oil at 8% and raised its reference price at 3,755 ringgit per metric ton. The July reference price was 3,614 ringgit a ton.

Indonesia's consumption of palm oil-based biodiesel for the first six months of this year was 5.41 million kiloliters, data from *palm oil fund agency BPDPKS*. Indonesian government has allocated a 13.15 million kiloliters biodiesel quota for this year.

Market analysis:

- According to the *Malaysian Palm Oil Council*, Kuala Lumpur's benchmark crude palm oil prices will trade in 3,700-4,200 ringgit a metric ton in the second half of 2023, and will remain supported in the long term. This is due to market uncertainties including Black Sea sunflower oil supply and Malaysia's palm oil production that has remained below expectations.
- According to Anilkumar Bagani, palm oil will have to maintain its discount to attract fresh buying, especially at a time when India and China have sizeable vegetable oil inventories.



MPOB Report <i>(Malaysian Palm oil Board)</i>	STOCKS <i>in tons</i>	PRODUCTION <i>in tons</i>	EXPORTS <i>in tons</i>
July 2023	1 731 512	1 610 052	1 353 925
June 2023	1 719 835	1 447 697	1 171 739
July 2022	1 772 804	1 573 560	1 325 342

Despite good fundamentals, rapeseed oil prices are holding firm.

European Union had launched an investigation into whether biodiesel from Indonesia circumventing EU duties by was going through China and Britain. This may lead to an increase in demand for rapeseed in Europe.

In Canada, *StatScan* projected 2023 canola crop at 17.561 million metric tons, down 6.1% from the prior year but slightly above an average of trade expectations for 17.4 million.

The ban on rapeseed exports from the Russian Federation is established from September 1, 2023, to February 29, 2024, inclusive.

Rapeseed- Euronext Paris



Refined Rapeseed oil

EURO / T *Ex-works supplier's plant - Month +1 or first period available*



2023 rapeseed crop estimates :

- In European Union: 19.8 million of tons vs 20.4 million a month earlier, but still 400,000 tons above last year's harvest.
- In Germany: 4.07 million of tons, down -4.9% vs last, according to *German farm cooperatives*.
- In France: 4.34 million of tons, down -4% from last year estimate. The country reported lower than expected yields.
- In Czech Republic's : 1.215 million tons vs 1.166 million in 2022, data from the *Czech Statistics Bureau*.

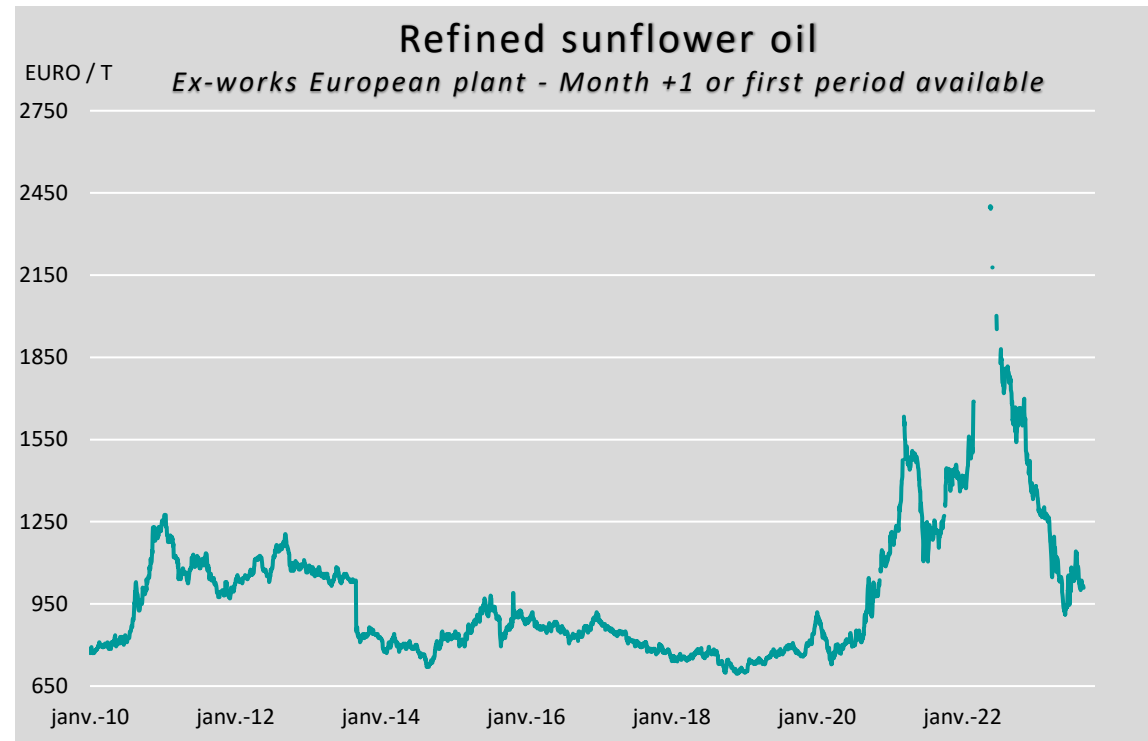
The Ukrainian ministry said farmers had started sunflower seed harvest. Forecasts are good, as in Europe.

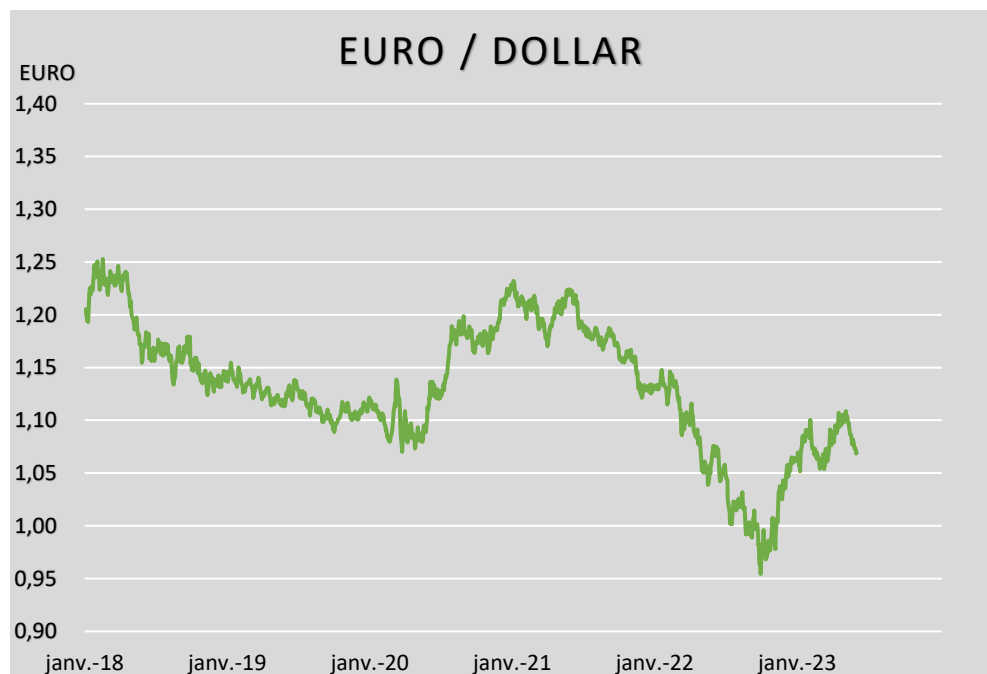
Concern over ongoing tensions between Russia and Ukraine. Russian air strikes have damaged grain silos and warehouses in one of the Danube ports.

In the mean time, Ukraine and Romania signed an agreement to boost Kyiv's export of grain through Romania. This is expected to account for 60% of Ukrainian grain exports.

2023 sunflower seed crop estimates:

- In European Union: 10.5 million tons from 10.6 million tons forecasted last month, according to the *European Commission*.
- In France: 1.98 million tons, up 11% vs last year and the highest level this century.
- In Ukraine: 12 million tons vs 12.9 million tons in 2022.

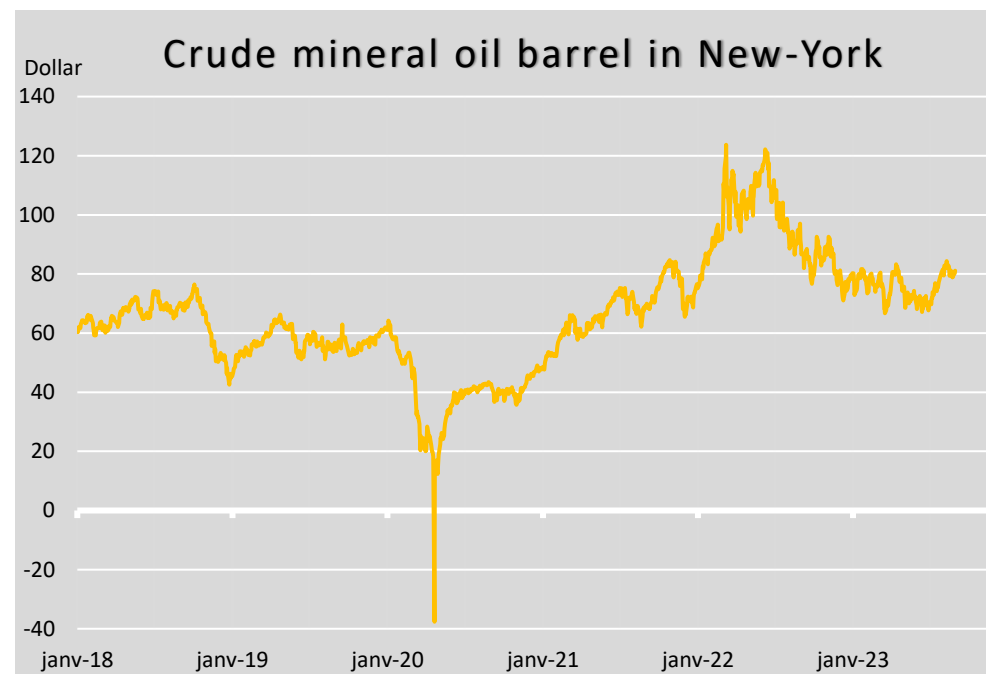




Manufacturing activity across the euro zone has contracted in July at the fastest pace since COVID-19. Demand has collapsed, despite a sharp price drop, notably in Germany, France and Italy.

Fed chairman Jerome Powell left open the possibility of further interest rate increases to bring inflation around the 2% target.

The central bank in China cut lending rates to revive demand as data have showed the economy slowing unexpectedly in July, with factory and retail activity has squeezed by Beijing's zero-COVID policy and a property crisis.



In early August, crude oil prices have surged, trading near their highest as the seasonal peak demand period (for transportation fuels) is starting and supplies have been cut by producing countries.

As a reminder, Saudi Arabia and Russia have decided to extend their production cuts until September.

Mixed economic data in China contained the rise, as investors were concerned about the country's economy.