

This month, weather conditions in Brazil have driven the market. Farmers in the main agricultural state began harvesting their soybeans from the 2023/24 season, the earliest known start of the soy harvest as dry weather sped up crop cycles.

Good export demand for US soybeans.

Brazilian government raised the mandatory blend of biodiesel into diesel to 12% from 10% starting March 2024. In 2025, the country plans to raise the rate to 15%.

Argentina elected right-wing libertarian Javier Milei as its new president. New government allowed the peso currency to plunge over 50% to 801 per dollar. He may also seek to raise the export tax applied to soybean oil and meal to 33% from 31%.

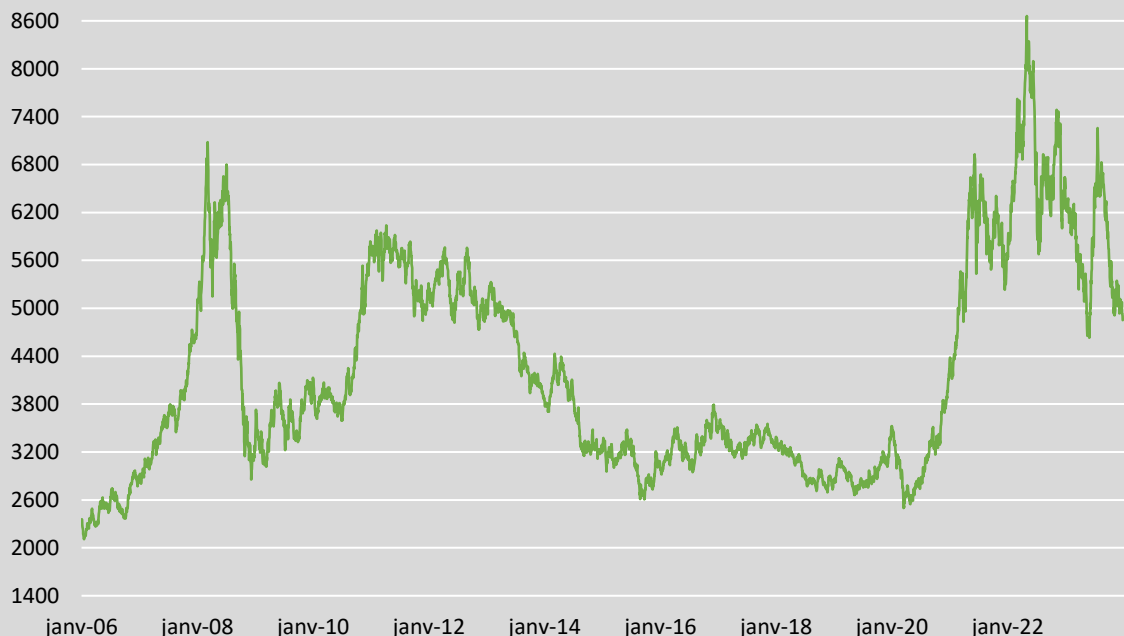
There is about a 60% chance of a transition from La Niña to neutral conditions during the Northern Hemisphere, that is from April to June 2024.

NOFA Estimates:

- 189 million of bushels of soybeans has been crushed last month in the USA, the highest level since October.
- Soyoil stocks as of November 31 rose to 1.1214 billion of pounds, up 10.4% from last October, but down -25.6% vs November 2022.

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(POUND)

CRUDE SOYBEAN OIL IN CHICAGO



USDA Report – December 2023	Estimation USDA	Market expectations	Last month estimation
US 2023/24 soybean crop <i>in millions of bushels</i>	4 129 <i>112,37 M of tons</i>		4 129 <i>112,37 M of tons</i>
US 2023/24 soybean ending stock <i>in millions of bushels</i>	245 <i>6,67M of tons</i>	243 <i>6,61 M of tons</i>	245 <i>6,67 M of tons</i>
Brazil 2023-24 soybean crop <i>in millions of tons</i>	161	160,16	163
Argentina 2023-24 soybean crop <i>in millions of tons</i>	48	48,20	48

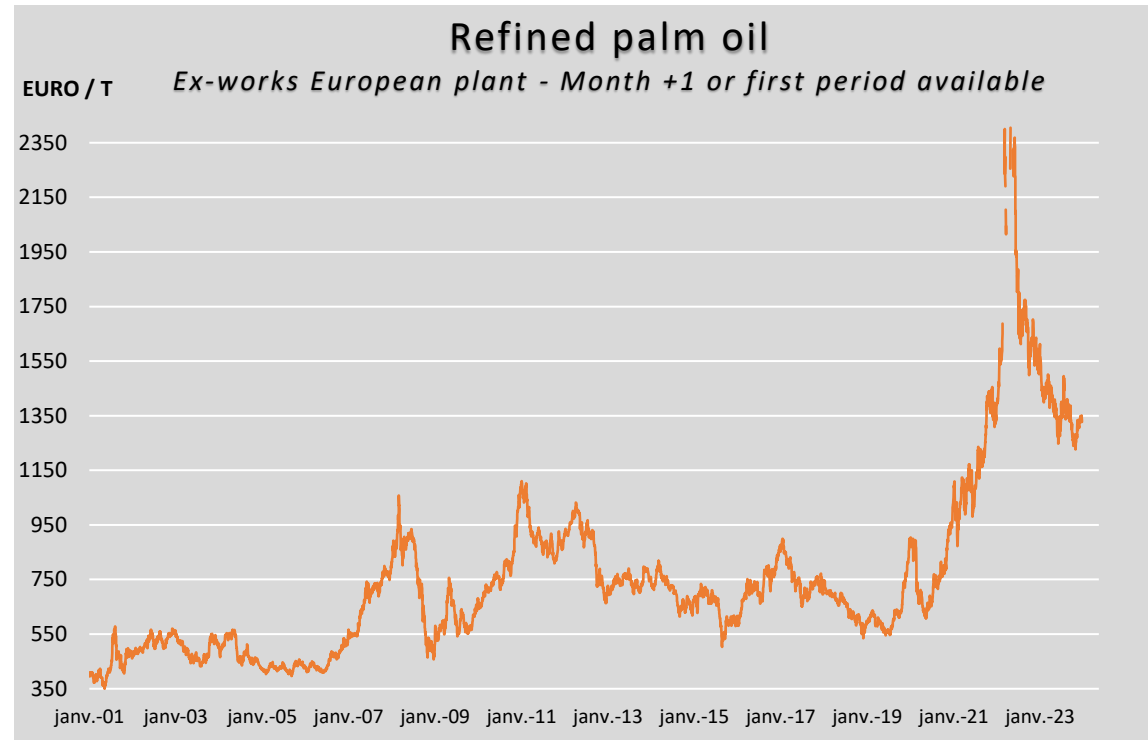
In Malaysia, operators are still concerned about dry weather, which could likely decline December stocks and output.

According to the *MPOB*, Malaysia's palm oil stocks at the end of November fell 1.09% from October. Production declined 7.66%, while exports plunged 5.67%.

Indonesia has allocated 13.41 million kiloliters of biodiesel for mandatory blending in 2024, slightly more than this year's allocation of 13.15 million. As a reminder, last February, the country has raised its mandatory palm oil blend for the fuel from 30% to 35%, a program better known as B35. Between January and the end of September 2023, 8.5 million kiloliters were consumed.

India's November palm oil imports jumped 22% from a month earlier to 867,000 metric tons, the highest in three months. The country's import taxes on palm oil, soyabean oil and sunflower oil will remain reduced until the end of March 2025.

The Malaysian Palm Oil Board will hold the Palm Oil Economic Review and Outlook Seminar on Jan 11, 2024, in order to release insights on the 2023 performance of Malaysia's palm industry as well as the price outlook for 2024.

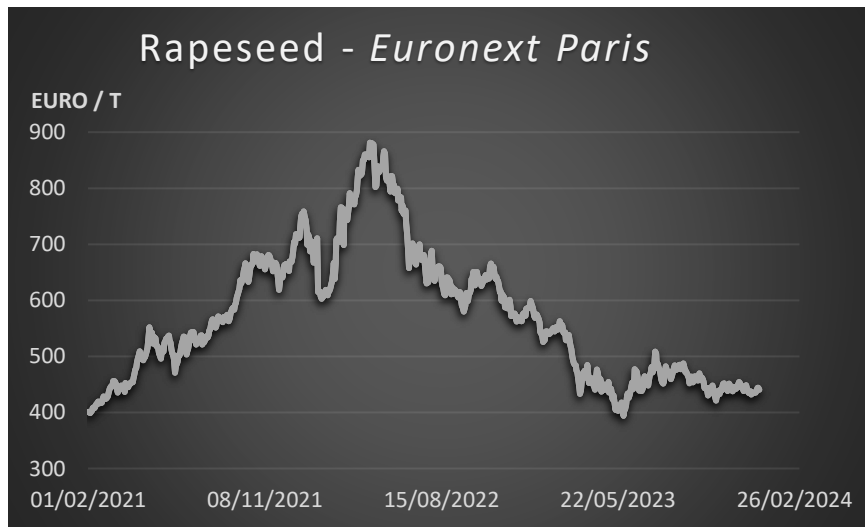
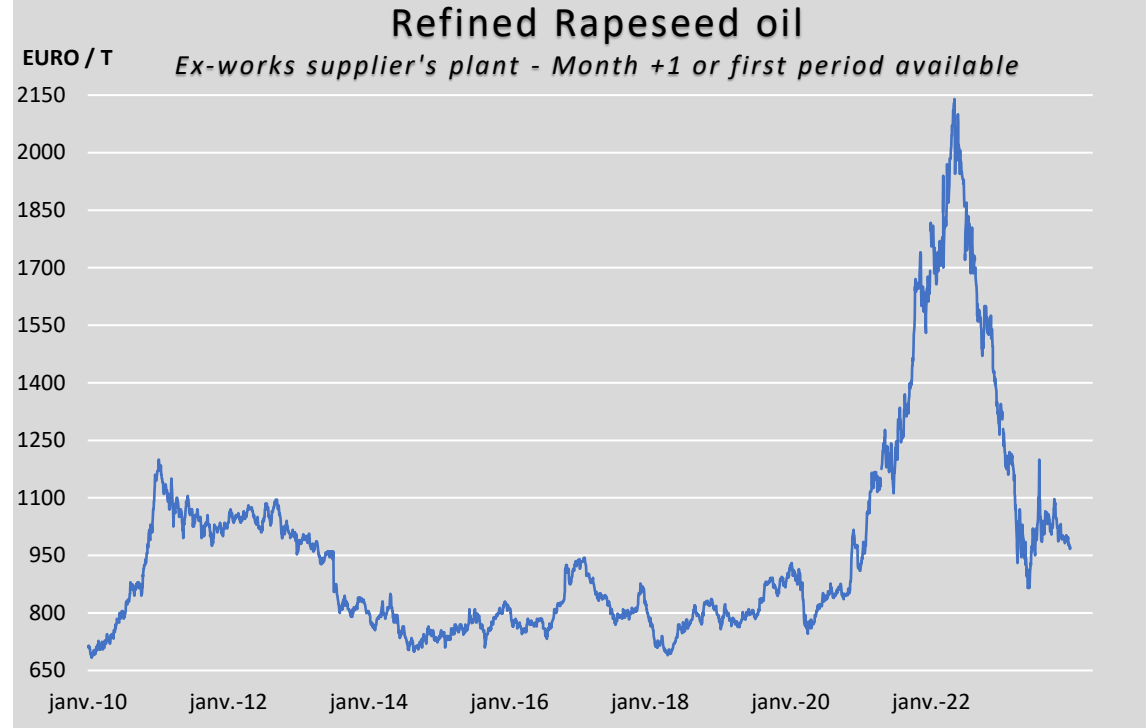


MPOB Report <i>(Malaysian Palm oil Board)</i>	STOCKS <i>in tons</i>	PRODUCTION <i>in tons</i>	EXPORTS <i>in tons</i>
November 2023	2 420 398	1 788 870	1 396 721
October 2023	2 447 038	1 937 224	1 480 686
November 2022	2 288 471	1 680 741	1 521 329

Rapeseed market followed soybean prices without a clear direction. Still good demand from the biofuel sector.

In France, *farm ministry* estimates 2024 rapeseed planted area at 1.35 million of hectares, up 0.5% vs 2023.

In Germany, farmers have reduced winter rapeseed sowings for the 2024 crop by 4.7% on the year to some 1.11 million hectares.



2023 rapeseed crop estimates :

- In Canada: 18.3 million of tons vs 18.7 million in 2022 (-2%), due to hot and dry weather in Western Canada, according to *StatsCan*.
- In Australia: 5.5 million of tons vs 5.2 million previously, and down 33% vs last year estimates, due to dry weather (El Niño), according to *ABARES*.

2024 rapeseed crop estimates :

- In European Union: 19.8 million of tons vs 19.9 million estimated previously, *European Commission* said.
The 2022/23 crop was at an estimated 19.6 million of tons.

No major changes in the sunflower market.

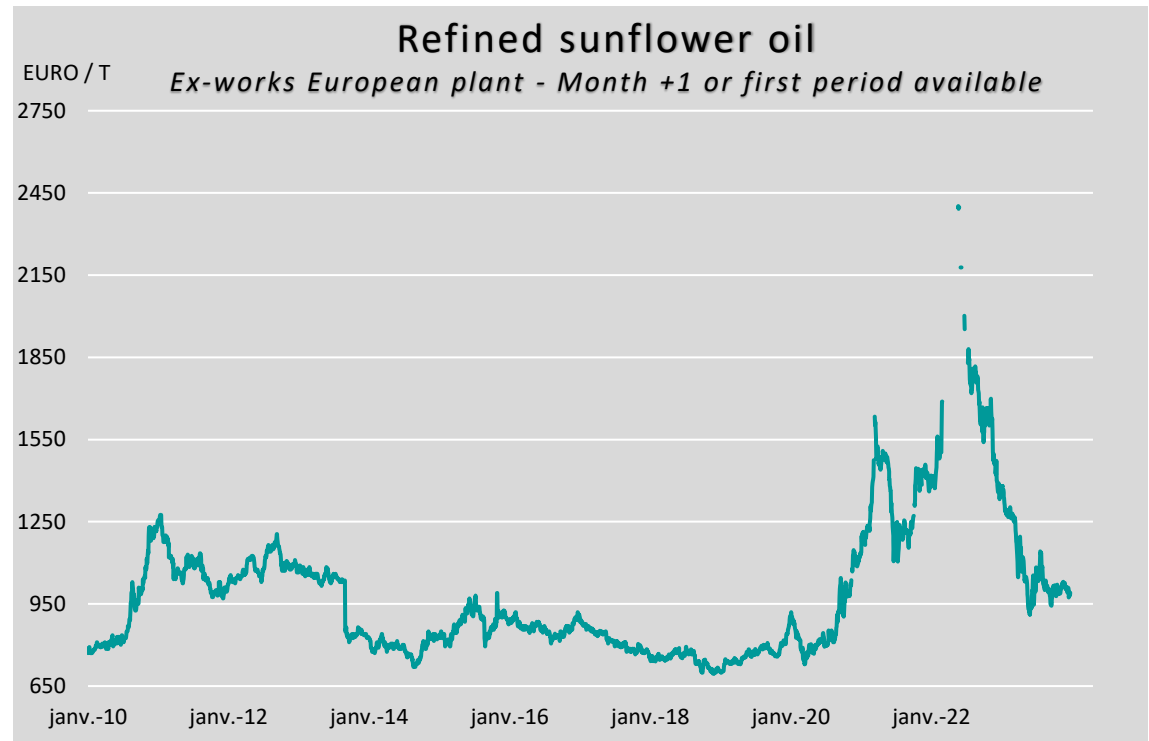
A favorable euro/dollar parity allowed the market to ease slightly.

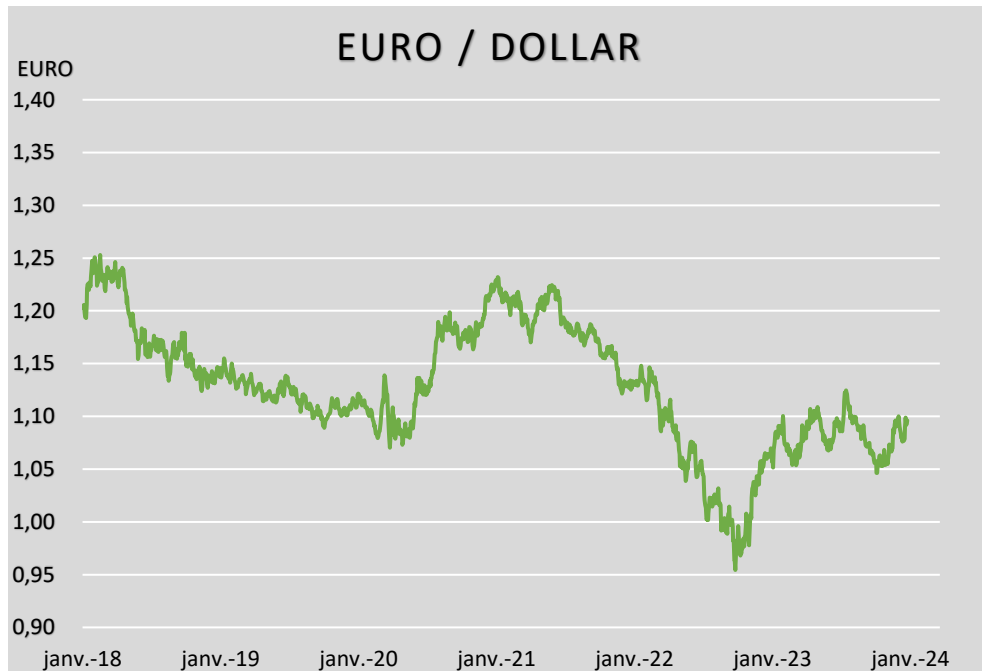
In Russia, the duty on exporting sunflower oil remains zero in December, as in the six previous months.

India's November sunflower oil imports were down about 16.3% from October at 128,707 tons.

2023/24 sunflower seed crop estimates:

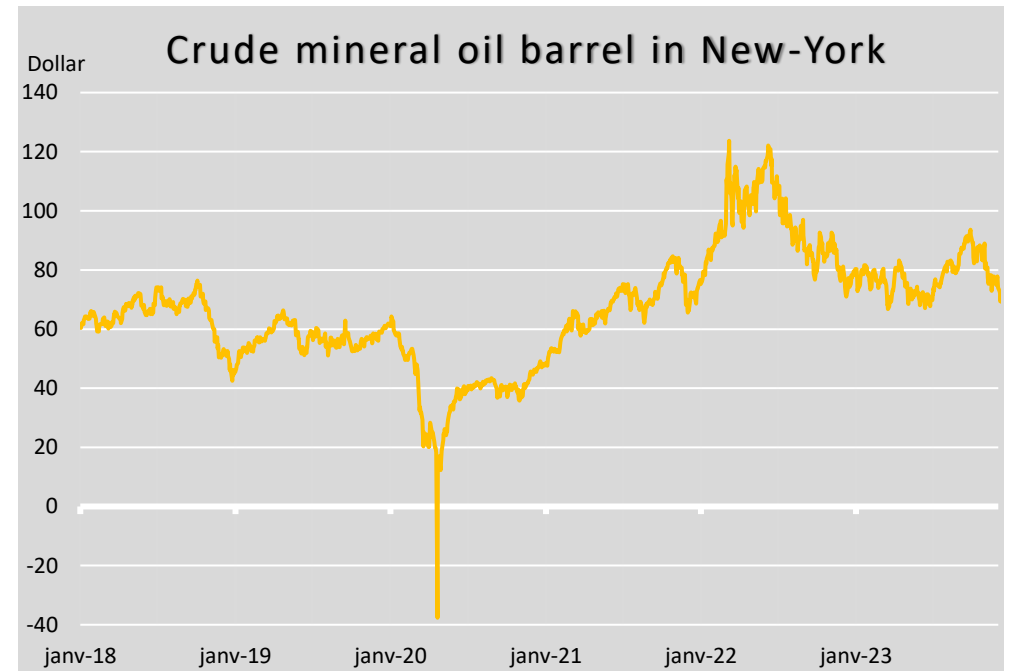
- In European Union: 10.2 million of tons, vs 10 million in the previous estimates and 9.3 million last year at the same time.





We note a better euro/dollar parity despite a robust labor market and a series of encouraging US data.

The European Central Bank has decided to maintain rates at their current levels, with no hint of a cut for the time being. In addition, inflation rose to an annual rate of 2.4% in the euro zone in November down from 2.9% in October, according to *Eurostat*. The inflation figure was below expectations.



Crude oil prices are supported by concerns over global supplies as continuing tensions in the Middle East and Angola's announcement of its intention to leave OPEC.

Worries about global fuel demand eased after U.S. data showed job growth and a larger-than-expected rise in gasoline inventories.

The COP28 Presidency released a proposed text of a final climate deal that would, for the first time, push nations to transition away from fossil fuels to avert the worst effects of climate change.