



CORN, SOYBEAN/SOYBEAN MEAL, CRUDE PALM OIL, AND CORN GLUTEN MEAL (CGM) OUTLOOK

(04/3/2022 - 10/3/2022)

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HIGHLIGHTS OF THE WEEK

CORN MARKET _____ Increased estimates for U.S Corn exports

SOYBEAN/SOYBEAN
MEAL MARKET _____ Prediction of higher Soybean exports and lower stockpiles

CRUDE PALM OIL MARKET _____ Palm oil inventories dropped less than predicted and exports declined

CORN GLUTEN MEAL
MARKET _____ Decrease in FOB Corn Gluten Meal price

VITAL

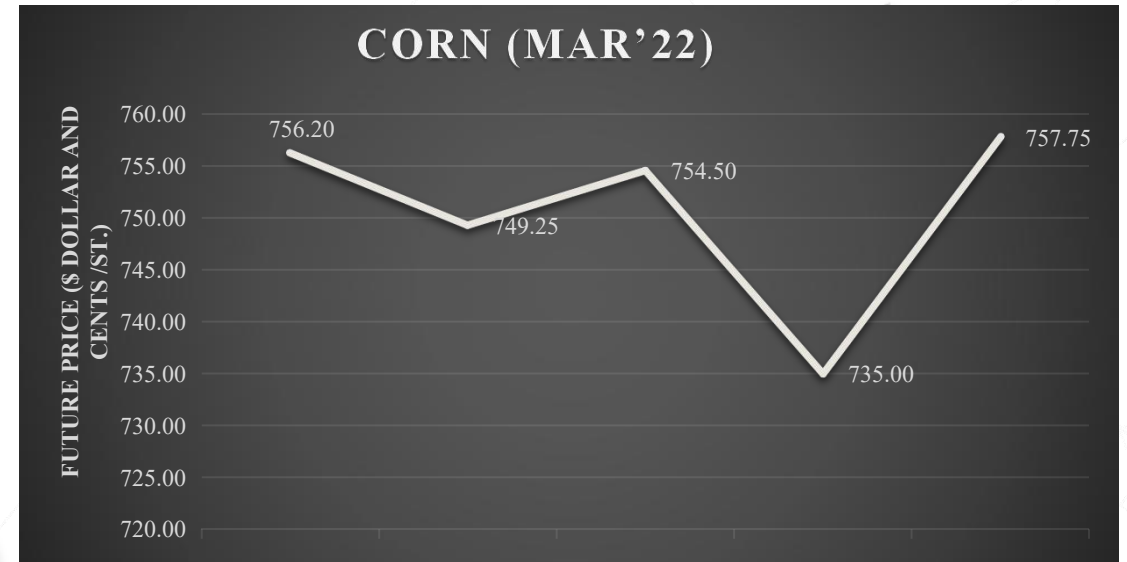
CORN MARKET

March corn futures **rose** by 1.25 cents (0.17%), **closes** at 757.75 cents. After USDA disclosed marketing-year high net export sales, corn **regained** its post-WASDE losses.

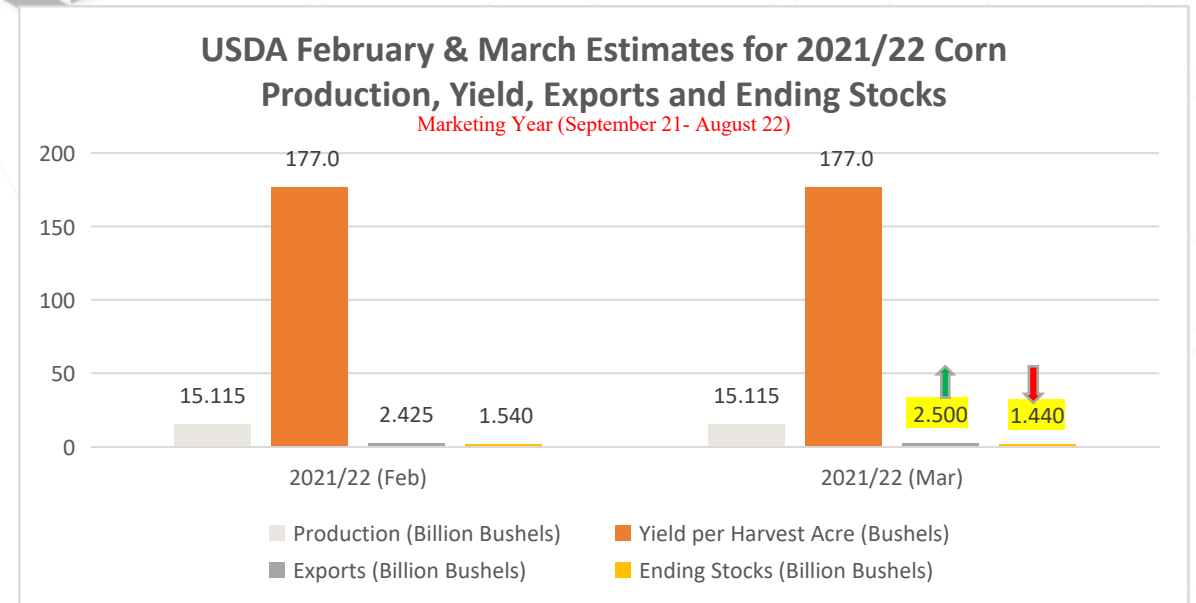
Exporters made 2.14 million metric tonnes of **net sales** of US corn, indicating that the Ukraine conflict is **driving the demand** to the United States.

U.S **corn exports** are estimated to **increase** by 75 million bushels to 2.500 billion bushels, indicating **lower-than-expected** exports from Ukraine. The predicted season-average farm price is now \$5.65 per bushel, up 20 cents. The **ending stocks decreased** 0.1 billion bushels to 1.440 billion bushels

Source: U.S Grain Council (March 2022), Market Perspectives & USDA (2022).
WASDE Report: March 2022.



Source: U.S Grain Council (March 2022), Market Perspectives.
Retrieved from: <https://www.investing.com/commodities/us-corn-historical-data>



Source: USDA (2022). WASDE Report: March 2022.
Retrieved from: <https://www.usda.gov/oce/commodity/wasde/wasde0322.pdf>

SOYBEAN/SOYBEAN MEAL MARKET



- March **soybean meal futures rose** 37.90 cents (8.1%) this week, closed at 506.80 cents.
- March **soybean futures gained** 90 cents (5.7%) this week, closed at 1680.25 cents.
- March **soybean oil futures up by** 4.05 cents (5.3%) this week, closed at 80.85 cents.



The **US soybean supply and use adjustments** for March 2021/22 include **higher exports** and **lower ending stockpiles**. With lower production and fewer exports for South America, US soybean **exports were estimated to increased** by 40 million bushels to 2.09 billion bushels. Ending **soybean stocks** are expected to be 0.285 billion bushels, **down** 40 million bushels from last month.



Soybean prices were affected by prospects of **increased exports** from the **United States** and concerns about **South America's production potential** this season.

USDA February & March Estimates for 2021/22 Soybean Production, Exports, Ending Stocks and Crushings (Billion Bushels)



USDA February & March Estimates for 2021/22 Soybean Meal Production, Exports and Ending Stocks (Thousand Short Ton)



Source: USDA (2022). WASDE Report: March 2022.
Retrieved from: <https://www.usda.gov/oce/commodity/wasde/wasde0322.pdf>

CRUDE PALM OIL MARKET

Dry weather in major soybean-producing South America, **labor difficulties in Malaysia**, and **Russia's invasion** of top sunflower-oil exporter Ukraine have all contributed to the **reduction** of edible oil **supply** globally.

Malaysia's **palm oil inventories** fell far **less than** market **estimates** at the end of February 2022, while **exports** **dropped**. Palm oil **stocks** are **down 2%**, compared to an **expected drop of 11%**.

Under a policy known as **Domestic Market Obligation**, Indonesia will require companies to **sell 30%** (currently 20%) of their planned exports of crude palm oil and olein at home. The new ban will be in effect for **at least six months**.

E x p o r t s were **highly expected to rise** in February 2022 but **instead fell** to a one-year low, to 1.098 million tonnes, a **drop of 5.3%** as compared to January 2022.

CPO	MPOB DATA FOR FEB'22	MARKET EXPECTATIONS FOR FEB'22	MPOB DATA FOR JAN'22
Production (Million Tons)	1.137	1.190	1.253
Exports (Million Tons)	1.098	1.251	1.160
Palm Oil Stocks (Million Tons)	1.518	1.375	1.552

Source: Malaysian Palm Oil Board & Reuters (March 2022)

Retrieved from: <https://www.reuters.com/markets/asia/malaysia-feb-end-palm-oil-inventories-fall-less-than-expected-exports-shrink-2022-03-10/>

Source: Reuters (March 2022) & The Edge Markets (March 2022)

CORN GLUTEN MEAL MARKET

According to the U.S. Grain Council (2022), the **FOB price** of Corn Gluten Meal for April **decreased** by \$50, to \$850 from the previous week.

The prices for **May and June** show a **decline as well**, by \$50, to \$850/MT from the previous week.

Source: U.S Grain Council (February 2022), Market Perspectives.

Week ending: 03/03/2022

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)			
Bulk 60% Pro.	April	May	June
New Orleans	\$900	\$900	\$900
*5-10,000 MT Minimum			

**Prices are based on offer indications only. Quoted prices are believed to reflect current market conditions but may vary from actual offers. Terms of delivery, payment, and quality may vary from one supplier to another, impacting the actual value of the price.*

Week ending: 10/03/2022

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)			
Bulk 60% Pro.	April	May	June
New Orleans	\$850	\$850	\$850
*5-10,000 MT Minimum			

**Prices are based on offer indications only. Quoted prices are believed to reflect current market conditions but may vary from actual offers. Terms of delivery, payment, and quality may vary from one supplier to another, impacting the actual value of the price.*

Source: U.S Grain Council (February 2022), Market Perspectives.

Retrieved from: 1) https://grains.org/market_perspectives/market-perspectives-march-3-2022/

2) https://grains.org/market_perspectives/market-perspectives-march-10-2022/

THIS WEEK'S PRICE RANGE

This Week's CBOT Price Range in Local Market (04/03/2022 – 10/03/2022)

Agricultural Commodities	CBOT Price Range
Corn	RM1,639/MT (733.00¢/bu.) - RM1,677/MT (755.75¢/bu.)
Soybean Meal	RM2,585/MT (\$458.70/st.) - RM2,701/MT (\$483.70/st.)

**Basis as of February 11: Corn: 240¢/bu. | Soybean Meal: \$91/st.*

**USD/MYR Currency Exchange Rate On Average: USD 1 = MYR4.2004 (Bank currency spread of 200 points added)*

This Week's Local Transacted Price Range (04/03/2022 – 10/03/2022)

Agricultural Commodities	Transacted Price Range
Corn	RM1,650/MT – RM1,750/MT
Soybean Meal	RM2,750/MT – RM2,850/MT
Crude Palm Oil (CPO)	RM6,960/MT – RM7,294/MT

OUR INSIGHTS

Corn

CBOT Primary Sentiment: Bullish | Immediate Trend: Bullish

Local Trend: Bullish

The war in Ukraine, the United States' export potential, and the Brazilian safrinha crop being planted on time are going to be the main market drivers. The WASDE reduced Ukraine's corn export forecast for 2021/22 by 6 MMT to 27.5 MMT. The agency kept Brazil's corn output projection for 2021/22 constant at 114 MMT, citing timely safrinha crop planting and favorable weather forecasts for the crop development as reasons for confidence about the crop's yield potential. **Local corn prices continue to rise following a surge in CBOT corn futures.**

Soybean/Soybean Meal

CBOT Primary Sentiment: Bullish | Immediate Trend: Bullish

Local Trend: Bullish

Soybean prices were fuelled by predictions of better US Soybean exports and concerns over South America's output potential this season. According to Conab, Brazil's soybean production will only reach 4.511 billion bushels in 2021/22. This is a 2.2% decrease from the prior estimate, owing to the country's persistent drought for much of the season. Argentina's Rosario grains exchange also lowered its expectations for soybean production in 2021/22 from 40.5 million tonnes to 40 million tonnes. **The local market was affected by the rise in CBOT Soybean price with the basis unlikely to soften.**

Crude Palm Oil (CPO)

Primary Sentiment: Bullish | Immediate Trend: Bullish

The revision of Indonesia's Domestic Market Obligation policy, the price movement of rival oils and the tight supply of sunflower oil due to disruption in the Black Sea region continue to affect palm oil prices.

Corn Gluten Meal

Primary Sentiment: Bullish | Immediate Trend: Bullish

Local Trend: Bullish

U.S. FOB prices decreased slightly this week. However, Corn Gluten Meal shows a bullish trend as US Corn price rises and China Corn Gluten Meal prices are at par with the US Corn Gluten Meal. **In the local market, Corn Gluten Meal prices rise along with CBOT Corn and Soybean Meal futures.**

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