

Palm oil's steepest weekly fall in over one and half months

Logs 9.8% weekly decline on reports of higher inventories

REUTERS

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Malaysian palm oil futures slumped more than five per cent on Friday and marked their steepest weekly fall in seven as surveys pointed to a rise in end-April inventories.

The benchmark palm oil contract for July delivery on the Bursa Malaysia Derivatives Exchange slid 5.12 per cent to 6,406 ringgit (\$1,466.58) a tonne, down for a second consecutive session.

Palm plunged 9.8 per cent for the holiday-shortened week, the most since March 18.

Malaysia's palm oil inventories at end-April likely rose to their highest since Janu-

ary, up 5.2 per cent from the previous month to 1.55 million tonnes, according to a



Reuters poll. Production is expected to rise 4.9 per cent to a five-month high of 1.48 million tonnes, while exports likely fell 5.6 per cent to 1.2 million tonnes, the survey showed.

The Malaysian Palm Oil Board is scheduled to release official data on May 10.

Indonesia ban

Shipments from Malaysia are expected to skyrocket due to Indonesia's ban on palm oil

exports, with cargo surveyor ITS indicating a 67 per cent monthly surge in exports during May 1-5, said Anilkumar Bagani, research head of Mumbai-based vegetable oils broker Sunvin Group.

Traders are also factoring in the possibility of Indonesia lifting its export ban in the coming weeks, which added to the pressure on prices, Bagani added.

Malaysia, the world's second largest palm oil pro-

ducer, said it plans to leverage the global edible oil shortage and "political tension in Europe" to regain market share after buyers shunned the commodity over environmental concerns.

Dalian's most-active soya oil contract fell 1.6 per cent, while its palm oil contract dropped 3.3 per cent. Soya oil prices on the Chicago Board of Trade were down 1.9 per cent.