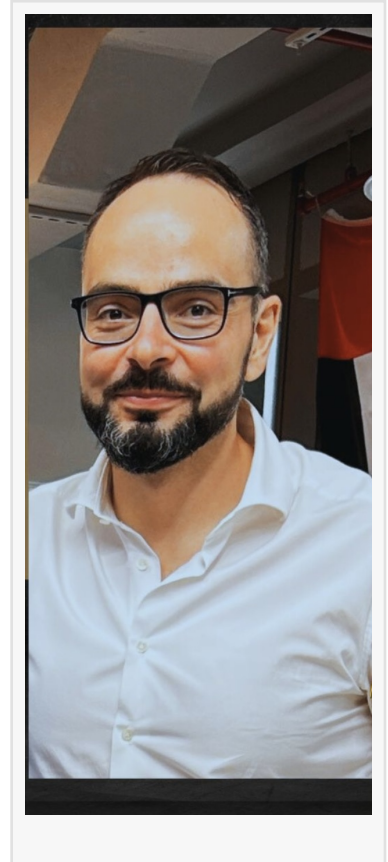


# Lado Tsintsadze Very Bullish on Palm Oil Prices

*A very bullish outlook for palm oil prices in the next 2 years, mainly due to supply constraints.*

ISTANBUL, TURKEY, July 26, 2024 /EINPresswire.com/ -- Speaking at the AgriTrade Summit in Istanbul, [Lado Tsintsadze](#) a Director at [D42](#) gave a very bullish outlook for [palm oil](#) prices in the next two years. He identified several factors supporting his view "I expect prices to trade at elevated levels, crossing the 4,000 Malaysian Ringgit per tonne mark in 2024 due to supply constraints and strong demand. One of the biggest drivers will be the impact of the El Niño weather phenomenon on palm oil production, especially in Indonesia, the world's largest producer. This coupled with the long-term trend of aging plantations that need replanting, especially in Malaysia are indeed putting great pressure on supply."

El Niño typically leads to lower rainfall and hotter temperatures, which can significantly reduce yields. Its effects are usually seen about a year later, so production is expected to decline in the second half of 2024. Palm oil production typically falls after the peak harvest in September/October, reducing inventories. This seasonal decline, combined with the El Niño impact, will tighten supplies and so can be expected to push prices higher.



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I personally expect price to break the 5,000 Malaysian Ringgit per ton mark by the end of 2025”

*Lado Tsintsadze*

"In parallel on the demand side the fundamentals are very robust" Lado Tsintsadze pointed out, stating that "the demand for biodiesel from Asia will compensate any decrease in biodiesel demand from the EU ". Indonesia has implemented a mandatory 35% biodiesel blend. China and Malaysia have also signed agreements to secure palm oil supplies, further boosting demand. The United States Department of Agriculture forecasts global palm oil

demand to increase 4.9% to 77.2 million tonnes in 2024.

"I personally expect price to break the 5,000 Malaysian Ringgit per ton mark by the end of 2025" was how Lado Tsintsadze concluded his talk.

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