

Plantation

Overweight (no change)

Strong exports help cut Jan palm oil stocks

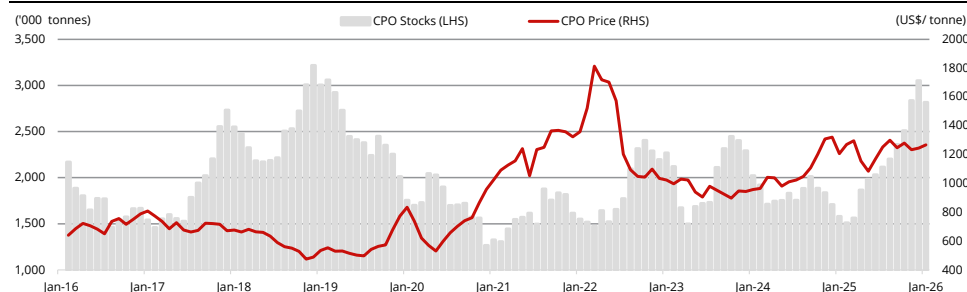
- Malaysian palm oil stocks fell 7.7% MoM to 2.82m tonnes in Jan 2026, coming in below our and consensus estimates. This is slightly positive for CPO prices.
- We project palm oil stocks to decline by a further 1% MoM in Feb 2026, driven by lower production.
- CPO prices remained firm in Jan 2026 despite the overhang of high stock levels, supported by strong soy oil prices and concerns over dry weather in Malaysia.

Jan 2026: Palm oil stocks ease to 2.82m tonnes, but output remains fairly strong

Malaysia's palm oil stocks fell 7.7% MoM but rose 78.2% YoY to 2.82m tonnes in Jan 2026, marking the first MoM decline since Feb 2025. This figure came in below both our forecast (2.90m tonnes) and consensus estimates (Bloomberg: 2.89m tonnes; Reuters: 2.91m tonnes), mainly driven by stronger-than-expected exports and domestic disappearance, alongside lower production. Palm oil production stood at 1.58m tonnes in Jan 2026, down 13.8% MoM owing to seasonal factors. However, palm oil output rose 27.2% YoY — marking the highest January output since 2019 and 24% above the five-year January average of 1.27m tonnes — mainly driven by higher fresh fruit bunches (FFB) yield in Kelantan (+51.5% YoY), Pahang (+36.2% YoY), and Sabah (+28.4% YoY). National FFB yield rose to 1.39 tonnes/ha in Jan 2026, 14.3% above the five-year January average of 1.22 tonnes/ha. As the combined total of exports and domestic disappearance exceeded production, stockpiles declined. Exports grew 11.4% MoM and 25.8% YoY to 1.48m tonnes in Jan 2026 — the highest January export level since Jan 2019. The strength was likely supported by palm oil's price discount against other edible oils and festive demand ahead of Chinese New Year (Feb 2026) and Hari Raya (Mar 2026), further boosted by stronger demand from Africa, India, and the Middle East. Palm oil imports fell 2.9% MoM to 32,316 tonnes. Meanwhile, domestic disappearance grew 14.5% MoM to 361,000 tonnes.

CPO prices stay firm despite high stocks, deferment of B50, and strong ringgit

We project Malaysian palm oil stocks to fall 1% MoM to 2.78m tonnes in Feb 2026, as an estimated 20% MoM decline in exports (due partly to fewer working days) is expected to more than offset lower output. Palm oil production is forecast to decline 8% MoM to 1.45m tonnes in Feb 2026. According to Amspec, palm oil exports fell 10.5% MoM to 451,340 tonnes in the first 10 days of Feb 2026. In Jan 2025, the average crude palm oil (CPO) price fell 0.6% MoM to RM4,018/tonne, which is broadly in line with our 2026 CPO price forecast of RM4,000/tonne. CPO prices improved in late-Jan 2026 despite high palm oil stocks, Indonesia's decision to defer B50, and a stronger ringgit. This was likely driven by (i) higher soybean oil prices (amid China considering stepping up purchases of US soybean oil), (ii) new guidelines for Section 45Z biofuel production credit, and (iii) concerns that dry weather in Peninsular Malaysia could hurt production. Malaysia announced cloud seeding operations in Johor, Kedah, and Perak over 11–15 Feb in response to prolonged hot weather. We maintain an Overweight stance on the sector, with land monetisation as a key catalyst.

Figure 1: CPO price against palm oil stocks (2016–25)


Source: CIMB Securities, MPOB

Highlighted companies

SD Guthrie, Buy

Share price	RM5.78	Target price	RM6.01
--------------------	--------	---------------------	--------

SD Guthrie owns 566,000 ha of planted oil palm estates across four countries and produces 12% of the world's certified sustainable palm oil.

IOI Corporation, Buy

Share price	RM4.03	Target price	RM4.51
--------------------	--------	---------------------	--------

We like IOI Corp as it is less exposed to regulatory risks in Indonesia, given its comparatively smaller footprint there among large-cap planters.

Hap Seng Plantations, Buy

Share price	RM2.26	Target price	RM2.45
--------------------	--------	---------------------	--------

Hap Seng Plantations is a mid-sized planter based in Sabah, with all its 34,856 ha of planted oil palm estates located within the state.

Valuation metrics

	Dec-25F	Dec-26F	Dec-27F
P/E (x)			
SD Guthrie	20.65	21.52	20.62
IOI Corporation	20.10	16.96	17.50
Hap Seng Plantations	12.10	14.21	13.71
P/BV (x)			
SD Guthrie	2.06	1.98	1.91
IOI Corporation	2.03	1.91	1.81
Hap Seng Plantations	0.85	0.83	0.81
Dividend yield (%)			
SD Guthrie	3.55	2.79	2.91
IOI Corporation	2.61	2.61	2.61
Hap Seng Plantations	4.98	4.22	4.38

Research analyst(s)


Ivy Ng Lee Fang, CFA

(+60) 3 21710501

ivy.ng@cimb.com

Key charts on MPOB palm oil statistics

Figure 2: Malaysian monthly palm oil statistics

('000 tonnes)	Jan	Jan	Dec	Jan	Jan	1M	1M	YoY
	CY26	CY25	CY25	MoM	YoY	2026	2025	chg
Opening stock	3,051	1,709	2,836	7.6%	78.6%	3,051	1,709	78.6%
Production	1,577	1,240	1,830	(13.8%)	27.2%	1,577	1,240	27.2%
Pen Malaysia	832	644	960	(13.4%)	29.2%	832	644	29.2%
Sabah & Sarawak	746	596	869	(14.2%)	25.1%	746	596	25.1%
Imports	32	88	33	(2.9%)	(63.5%)	32	88	(63.5%)
Exports	1,484	1,180	1,332	11.4%	25.8%	1,484	1,180	25.8%
Dom. Disappearance	361	277	315	14.5%	30.2%	361	277	30.2%
Ending Stocks	2,815	1,580	3,051	(7.7%)	78.2%	2,815	1,580	78.2%

Source: CIMB Securities, Malaysian Palm Oil Board (MPOB)

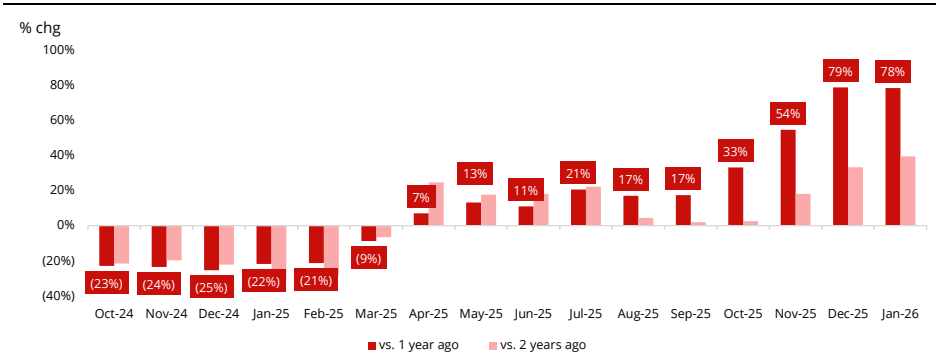
Malaysian palm oil stocks fell 7.7% MoM to 2.82m tonnes — marking the first decline since Feb 2025 — driven by higher exports and domestic usage alongside lower output. The end-Jan 2026 stock level was below both our projection (2.90m tonnes) and Bloomberg (2.89m tonnes) and Reuters (2.91m tonnes) consensus forecasts, and is likely to be viewed positively by traders in the short term.

Figure 3: Preliminary palm oil statistics estimates for Feb 2026F

('000 tonnes)	Feb	Jan	Feb	Feb	Feb
	26F	26	25	mom	yoy
Opening stock	2,815	3,051	1,580	(8%)	78%
Production	1,451	1,577	1,188	(8%)	22%
Imports	32	32	67	0%	(52%)
Exports	1,187	1,484	1,002	(20%)	18%
Dom Disappearance	331	361	320	(8%)	3%
Ending stocks	2,781	2,815	1,512	(1%)	84%

Source: CIMB Securities, MPOB

We project palm oil stocks to fall 1% MoM to 2.8m tonnes in Feb 2026, as projected exports (-20% MoM) and domestic disappearance (-8% MoM) are expected to offset production (-8% MoM).

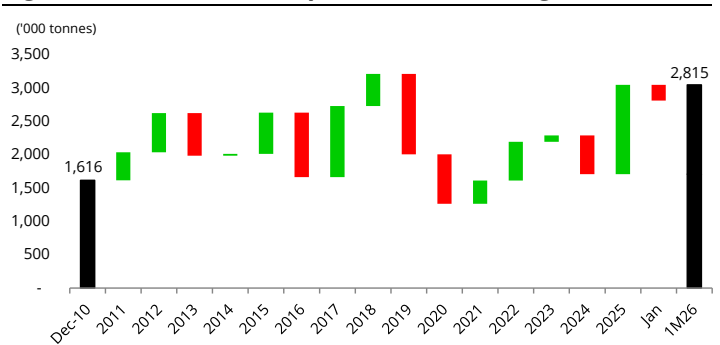
Figure 4: Change in palm oil inventory vs. 1 and 2 years ago


Source: CIMB Securities, MPOB

Jan 2026 palm oil inventory came in at 2.82m tonnes, representing a 78.2% YoY increase and a 39.4% YoY gain compared with Jan 2025 and Jan 2024, respectively.

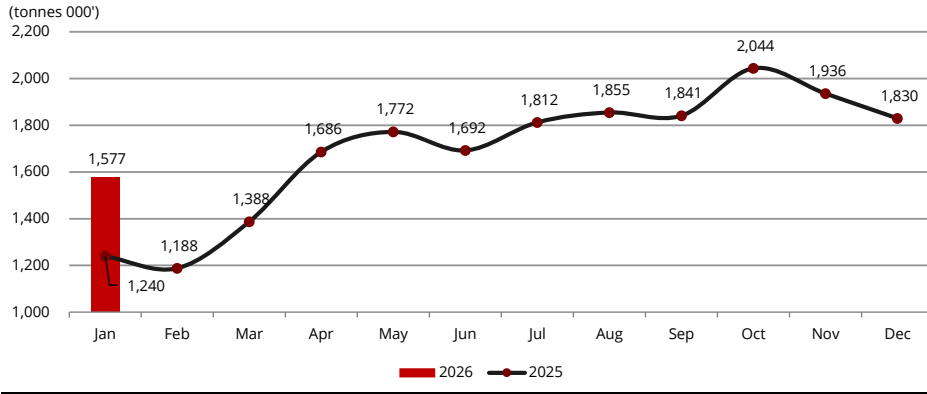
Figure 5: Monthly palm oil stock changes since Dec 2018


Source: CIMB Securities, MPOB

Figure 6: Annual and YTD palm oil stock changes since 2010


Source: CIMB Securities, MPOB

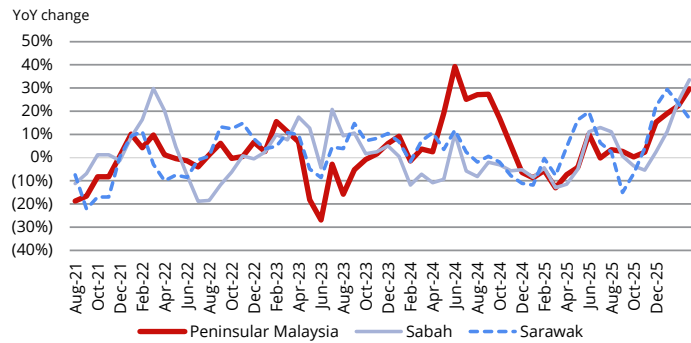
Figure 7: Monthly CPO output, 2025 and 2026



Source: CIMB Securities, MPOB

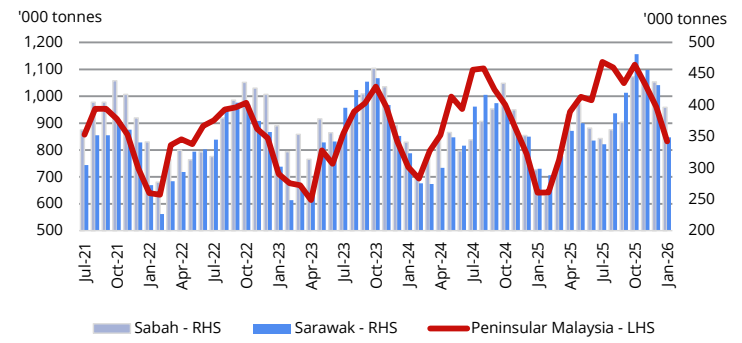
CPO output fell 13.8% MoM in Jan 2026 to 1.58m tonnes — the highest January output achieved since Jan 2019 and 24% above the five-year January average of 1.28m tonnes. On a YoY basis, CPO output grew 27.2% (Jan 2025: 1.24m tonnes).

Figure 8: CPO output rose 27.2% YoY in Jan 2026



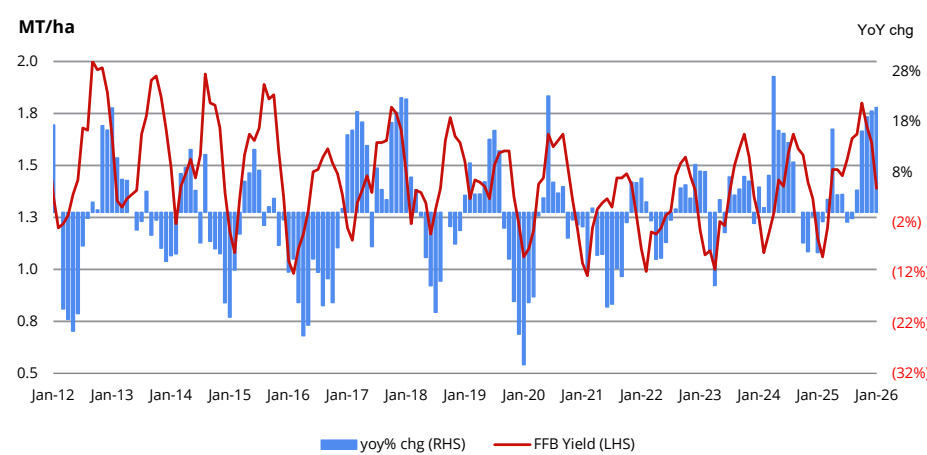
Source: CIMB Securities, MPOB

Figure 9: CPO output fell 13.8% MoM in Jan 2026



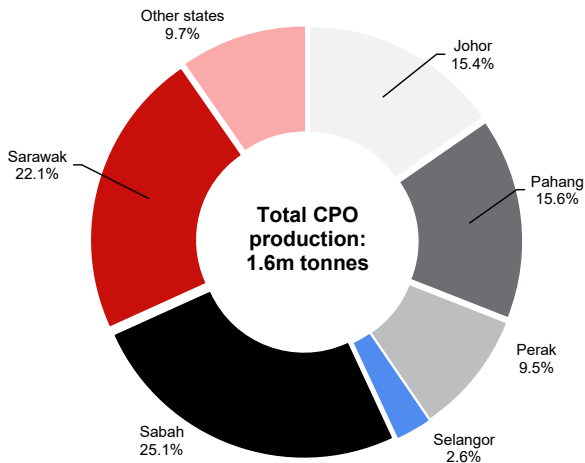
Source: CIMB Securities, MPOB

Figure 10: Malaysia's monthly FFB yield



Source: CIMB Securities, MPOB

Malaysia's FFB yield rose 20.9% YoY in Jan 2026, driven mainly by strong yield improvements in Kelantan (+51.5% YoY), Pahang (+36.2% YoY), and Sabah (+28.4% YoY). National FFB yield for Jan 2026 stood at 1.39 tonnes/ha, 14.3% above the five-year January average of 1.22 tonnes/ha.

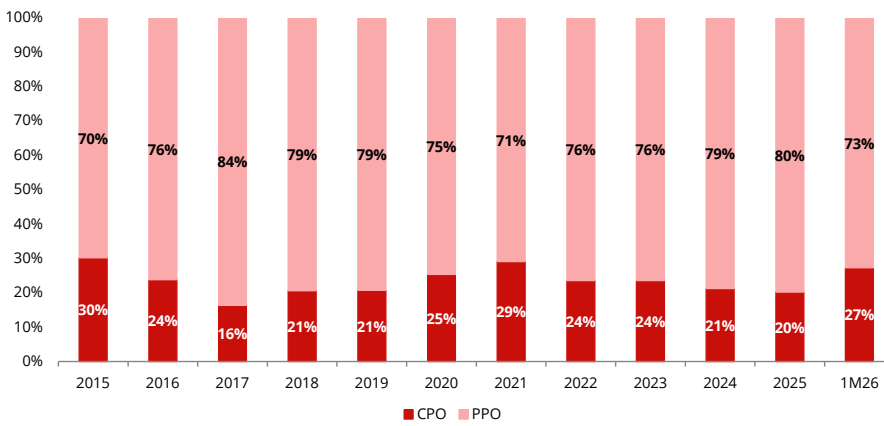
Figure 11: Breakdown of Malaysia's Jan 26 CPO production


Source: CIMB Securities, MPOB

Figure 12: Malaysia's average FFB yield by state

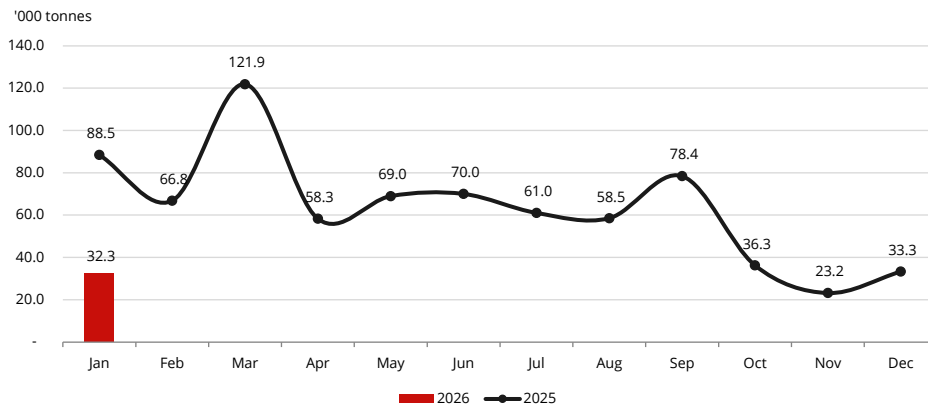
(MT/ha)	Jan CY26	Jan CY25	Dec CY25	Jan YoY chg	Jan MoM chg
Johor	1.51	1.37	1.84	10.2%	(17.9%)
Kedah	1.20	0.97	1.18	23.7%	1.7%
Kelantan	1.00	0.66	1.24	51.5%	(19.4%)
Malacca	1.34	1.23	1.52	8.9%	(11.8%)
N. Sembilan	1.37	1.08	1.57	26.9%	(12.7%)
Pahang	1.43	1.05	1.70	36.2%	(15.9%)
Penang	0.77	0.83	0.77	(7.2%)	0.0%
Perak	1.60	1.44	1.83	11.1%	(12.6%)
Selangor	1.47	1.36	1.66	8.1%	(11.4%)
Terengganu	1.05	0.88	1.34	19.3%	(21.6%)
Sabah	1.49	1.16	1.63	28.4%	(8.6%)
Sarawak	1.27	1.12	1.51	13.4%	(15.9%)
Malaysia	1.39	1.15	1.61	20.9%	(13.7%)

Source: CIMB Securities, MPOB

Figure 13: Breakdown of palm oil exports: CPO and PPO


Source: CIMB Securities, MPOB

Processed palm oil (PPO) accounted for 73% of total palm oil exports in Jan 2026, while CPO made up the remaining 27% (up from 20% in 2025). In Jan 2026, PPO exports rose 4.7% MoM, while CPO exports rose 34.5% MoM.

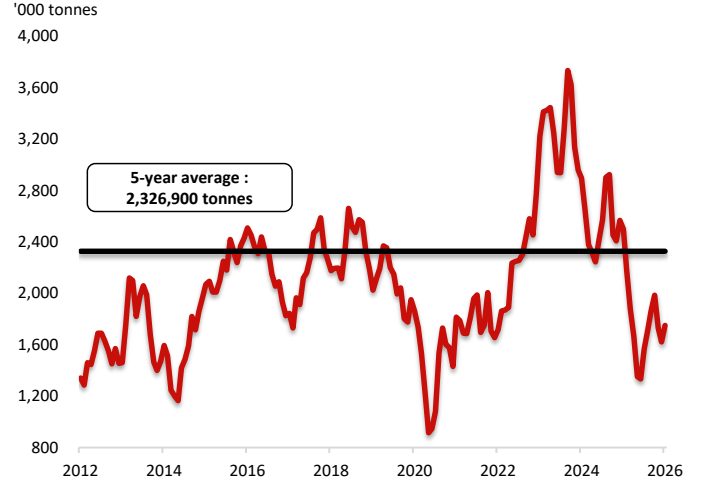
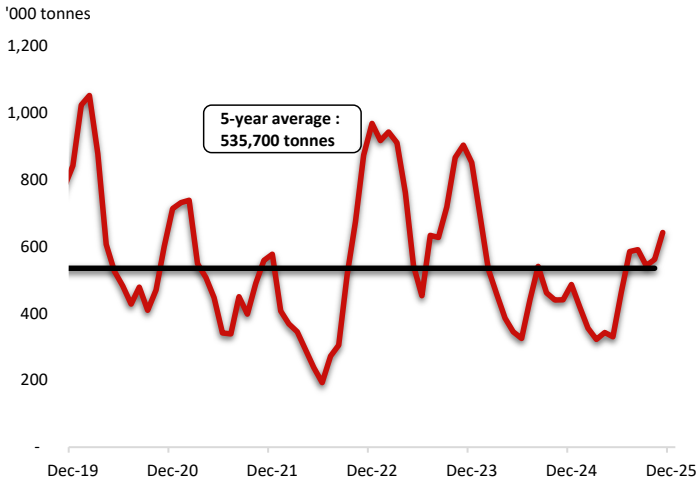
Figure 14: Monthly palm oil imports by Malaysia for 2025 and 2026


Source: CIMB Securities, MPOB

Palm oil imports fell 2.9% MoM to 32,316 tonnes in Jan 2026, comprising entirely PPO. The 63.5% YoY decrease in import levels was potentially due to high stocks in Malaysia.

Figure 15: Palm oil stocks at China's domestic ports stood at 704,300 tonnes in Dec 2025 (+9.5% MoM), above the five-year average of 535,700 tonnes

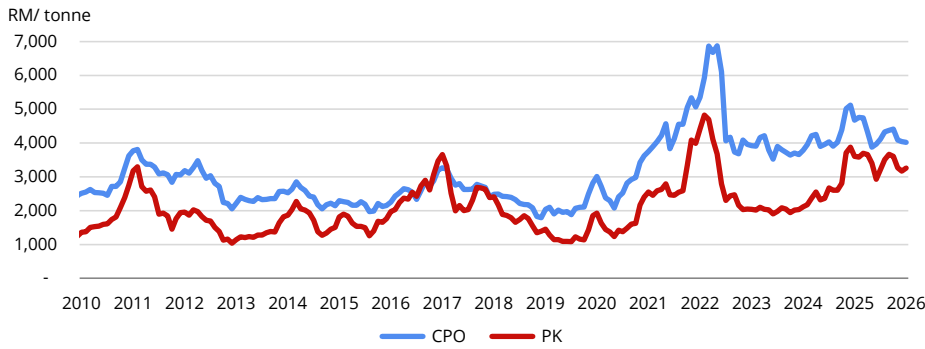
Figure 16: India's edible oil stocks at ports and in pipelines stood at 1.75m tonnes in Jan 2026 +8.0% MoM), below five-year average of 2.3m tonnes



Source: CIMB Securities, MPOC

Source: CIMB Securities, MPOB

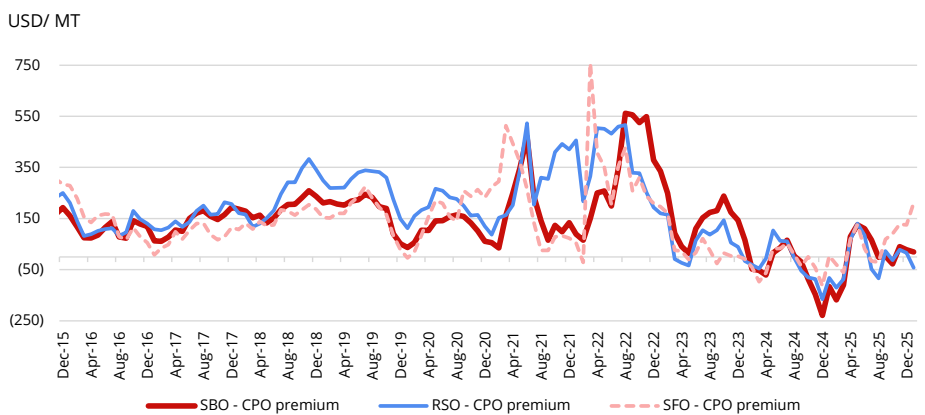
Figure 17: Monthly price trend of average CPO and PK prices



Source: CIMB Securities, MPOB

The average CPO price fell 0.6% MoM and 14.0% YoY to RM4,019/tonne in Jan 2026. Meanwhile, the price of palm kernel (PK) rose 2.8% MoM but fell 9.7% YoY to RM3,259/tonne, equivalent to 81.1% of CPO's value (Dec 2025: 78.4%).

Figure 18: CPO price premium/discount against SBO, RSO, and SFO



Source: CIMB Securities, MPOB

In Jan 2026, the average CPO price traded at a discount to major competing edible oils — at US\$19/tonne and US\$211/tonne below the price of soybean oil (SBO) and sunflower oil (SFO), respectively. Meanwhile, average CPO price traded at a \$42/tonne premium to rapeseed oil (RSO) prices.

DISCLAIMER

The content of this report (including the views, opinions and recommendations expressed and the information contained in this report) has been prepared by and belongs to CIMB Securities Sdn Bhd (“**CIMB Securities**”).

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, you represent and warrant that you are entitled to receive this report in accordance with the restrictions set forth below and agree to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law. This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person, in whole or in part, without the prior written consent of CIMB Securities.

This report is general in nature and has been prepared for information purposes only and does not have regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this report. CIMB Securities does not act as a financial adviser, consultant, or fiduciary to you or any of your agents with respect to any information provided in this report.

The information, views, opinions or recommendations in this report are not and should not be construed or considered as an offer, or solicitation to buy or sell, or an invitation to subscribe for, the securities of the company(ies), related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

You are advised to make your own independent evaluation of the information contained in this report, consider your own individual investment objectives, financial situation and particular needs and consult your own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this report. The securities of the company(ies) may not be eligible for subscription or sale in all jurisdictions or to all categories of investors.

CIMB Securities may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CIMB Securities has no obligation to update this report to include any omission or in the event of a change (whether material or not) to the information contained in this report.

This report does not purport to contain all the information that a prospective investor may require. CIMB Securities has no and will not accept any obligation to (i) check or ensure that the contents of this report are current, reliable or relevant; or (ii) ensure that the contents of this report constitute all the information a prospective investor may require. CIMB and its affiliates, related and associate corporations do not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any views, opinions, recommendations and information contained in this report. Accordingly, CIMB Securities and its affiliates, related and associate corporations (and their respective directors, connected persons, officers and/or employees) shall not be liable in any manner whatsoever for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any reliance thereon or usage of this report. In particular, CIMB Securities disclaims all responsibility and liability for the views, opinions and recommendations set out in this report.

Unless otherwise specified, this report is based upon sources or data which the analyst(s) considered to be reasonable, correct and reliable at the time of issue of this report. Such sources or data will, unless otherwise specified, for market data, be market data and prices available from the market, information aggregation service providers or stock exchange where the relevant security is listed, or, where appropriate, any other commonly accepted sources. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from his/her research.

Whilst the analyst(s) have made every effort to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered by the analyst(s) to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment.

This report may contain information obtained from third party content providers. Reproduction and distribution of third-party contents in any form is prohibited except with the prior written consent of the related third-party content provider.

Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such contents. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their contents.

CIMB Securities and its affiliates, related and associate corporations (and their respective directors, connected persons, officers and/or employees) may own or have positions in securities of the company(ies) covered in this report or any securities related to it, and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMB Securities and its affiliates, related and associate corporations do and seek to do business with the company(ies) covered in this report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from clients (for its own account or the account of its clients) and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit investment, advisory or other services from any company(ies) mentioned in this report. In such capacities, CIMB Securities and its affiliates, related and associate corporations may engage in transactions in a manner inconsistent with any views, opinions and recommendations expressed in this report.

In reviewing this report, you should be aware that any or all of the foregoing, among other things, may give rise to actual or potential conflicts of interest. Subject to the duties of confidentiality, additional information may be available, on request, at our sole discretion.

RATING GUIDE

<i>Stock Rating</i>	<i>Definition</i>
<i>Buy</i>	<i>The stock's total return is expected to exceed 10% over the next twelve (12) months.</i>
<i>Hold</i>	<i>The stock's total return is expected to be between 0% and positive 10% over the next twelve (12) months.</i>
<i>Reduce</i>	<i>The stock's total return is expected to fall below 0% or more over the next twelve (12) months.</i>
	<i>Note: The total expected return of a stock is defined as the sum of: the percentage difference between the target price and the current price; and the forward net dividend yields of the stock. Stock price targets have an investment horizon of twelve (12) months.</i>
<i>Sector Rating</i>	<i>Definition</i>
<i>Overweight</i>	<i>An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.</i>
<i>Neutral</i>	<i>A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.</i>
<i>Underweight</i>	<i>An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.</i>

DISCLOSURE OF CONFLICTS OF INTEREST
Disclosure by CIMB Securities

CIMB Securities hereby declares that:

- (a) CIMB Securities, CIMB Investment Bank Berhad and/or CIMB Bank Berhad has/have proprietary positions in the following securities of the company(ies) mentioned in this report:
IOI Corporation, SD Guthrie.
- (b) CIMB Securities (only in respect of its Equities Research Department) received material benefit in relation to the production of this report for the following companies mentioned in this report:
Nil

Disclosure by Analyst(s)

The analyst(s) who prepared this report declares that:

- (a) He/she received material benefit in relation to the production of this report for the following companies mentioned in this report:
Nil
- (b) He/she has/have an interest in the securities in the following company(ies) recommended in this report:
Nil
- (c) He/she serves as a director or board member of the following company(ies) mentioned in this report:
Nil

The analyst(s) responsible for the production of this report certifies that the views, opinions and recommendations expressed herein accurately and exclusively reflect his/her personal views, opinions and recommendations about any and all of the company(ies) or securities analysed in this report and were prepared independently and autonomously.

No part of the compensation of the analyst(s) was, is or will be directly or indirectly related to the inclusion of specific opinions, views or recommendations in this report. CIMB Securities prohibits the analyst(s) who prepared this report from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific view, opinion or recommendation of a particular company(ies). Information barriers and other arrangements may be established, where necessary, to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/her coverage of company(ies) in the performance of his/her duties or the correlation between his/her views, opinions or recommendations and the performance of the securities of the company(ies) and may also participate in the businesses as described above.

This report is distributed or disseminated in Malaysia by CIMB Securities for the benefit of and for the use of the clients of CIMB Securities, CIMB Investment Bank Berhad and CIMB Bank Berhad. This report is also distributed or disseminated in any specific geographical area or jurisdiction by the affiliates or related corporations of CIMB Securities who are licensed in such jurisdictions, or any third-party business partner pursuant to an arrangement between CIMB Securities and such third party business partner.

Recipients of this report are to contact CIMB Securities at Level 14, Chulan Tower, No. 3, Jalan Conlay, 50450 Kuala Lumpur in respect of any matters arising from or in connection with this report. CIMB Securities has no obligation to update or revise the information in or the contents of this report after the date of this report.