



Philippines :

The Philippines were hit by two successive typhoons in November, affecting coconut-growing regions such as Bicol and the Eastern Visayas. Several thousand mature coconut trees were uprooted.

These events occurred as the typhoon season was drawing to a close.

In addition, authorities have confirmed that the mandatory biodiesel blend will increase from 3% to 5% CNO at the beginning of 2026, mechanically boosting domestic coconut oil consumption. However, as yields have improved significantly over the past six months, this is not expected to impact supply at the start of 2026.



Indonesia :

After a prolonged drought linked to the El Niño phenomenon, Indonesian coconut plantations are showing signs of a gradual recovery in yields. While some residual effects are still evident in oil content and nut size, production is steadily improving, particularly in East Java, Sulawesi, and North Sumatra.

Against a backdrop of continued strong international demand, Indonesian processors are adopting a measured approach. Prices are therefore expected to remain broadly stable in Q1/Q2 2026, reflecting a more balanced market.



Sri Lanka :

Sri Lanka is currently facing exceptional weather conditions, marked by severe flooding, landslides, and the impact of a cyclone that has caused several hundred fatalities. Many low-lying cultivation areas have been flooded, leading to soil waterlogging.

Although the country has historically been less exposed than other major origins to market fluctuations, the combination of climatic damage and strong international demand — already elevated due to tensions observed in Indonesia and the Philippines — is putting pressure on the balance of the local market.

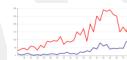


Maritime transport :

Maritime transport: supply is characterized by reduced capacity which, combined with rising demand, allows shipping lines to optimize vessel utilization. Ships are fully booked through the end of December, with significant tightness. In December, carriers are reducing blank sailings, with only 8% of departures cancelled.

On the demand side, Asia–Europe imports continue to increase, driven by restocking needs ahead of the Chinese New Year. A peak is still expected around week 51, with forecasts pointing to a significant rise in volumes to both Northern Europe and the Mediterranean.

Regarding market developments, the General Rate Increases (GRIs) implemented on December 1st have partially materialized. A second round is expected on December 15th. Shipping lines are expected to continue pushing GRIs until the Chinese New Year.



Market :

The EUDR has once again been postponed, with implementation now expected on December 30, 2026.

In the United States, the removal of coconut-related duties is supporting market activity, while Chinese demand is expected to pick up again from the first quarter of 2026. In this more positive environment, CNO prices remain stable, with the downward trend proving less consistent than previously anticipated a few weeks ago following the overall improvement in yields.

Summary :

The current market conditions are favorable for taking positions to cover needs through Q2 2026. It is also possible to secure volumes for Q3 2026. The year 2026 is expected to be less volatile than 2024 and 2025, but a natural disaster or a disrupted El Niño/La Niña event could quickly alter market conditions.

It remains important to anticipate supply lead times and potential market disruptions following recent climatic events. Caution is advised, and the possibility of further price increases cannot be ruled out.

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