



General Market Trends :

In our previous newsletter, we highlighted the very likely slow but likely price decrease trend of the coconut products all along 2026 due to the yield improvement in the producing countries over the last few months. Even though that underlying trend remains valid, the war in the Middle-East between the USA and Israël against Iran is weakening this forecast reliability.

Indeed, the Ormuz strait closure is strongly impacting the global oil market, which impacts by itself many others. The CNO's price, which is the main driver of the whole coconut industry has risen by almost +200\$ CIF RTD in a month, whereas it was on a quite steady decreasing trend before that. This trend will potentially have an impact on our high-end coconut products soon. Prices are expected to firm up, even potentially increase.

The lack of access to the strait, through which 20% of global's oil transits, is mechanically increasing prices but could also potentially lead to some local shortages, particularly in South-Eastern Asia. The Philippines is one of the most sensitive country in this region and will thus potentially strongly suffer if the war lasts.

In Indonesia, due to the rising oil prices, the government is willing to implement its biodiesel B50 program. That fuel will contain 50% of palm oil. Its introduction on the local market (Indonesia is a country of 280 million people) will enhance demand in edible oils and thus could drive CNO price to increase too, as it's one of KNO's main substitute.

Brent is now again above 100\$ and is getting closer to 110\$. Many indicators suggest that, even though the war comes to an end soon, there will be a long-lasting energy crisis resulting from it. The South Pars LNG infrastructures have been shattered. Ras Laffan infrastructures as well, which will decrease by 17% Qatar's gas production for at least the next five years. In Saudi Arabia, several oil facilities have already been seriously damaged too. Therefore, we can suspect that the global black gold supplies and production will be impacted to some extent for at least a few months once the war will come to an end.

To conclude, despite decreasing coconut prices by early 2026, we believe that the market will now firm up and that the downward trend will pause. The rise in fuel and freight prices as well as the tensed geopolitical situation, tend to support the forecast that prices to firm up.



Our local glance :

We've been working for a few months in the Philippines with a french man established locally. This situation enables us to collect privileged information to better understand our markets, master our sourcing and monitor closely our work in the producing countries.

As a reminder for the following information, the coconut recent-crisis that began about 2 years and a half ago, raising prices to never seen before levels, was mainly due to a lack of water during the dry and wet seasons. That caused the coconut trees to enter into water stress and see their yield decrease by sometimes 90% ! This year rainy season (that happens between November and March) happens to be in deficit. This situation could have an impact on next months' yields and thus potentially increase the coconut market prices.

Also, the fuel situation is getting tensed in the Philippines as well due to the war. There has already been some local shortages and diesel price has already doubled. So far, the country has some stocks; however if the Ormuz strait remains closed, there could be serious shortages happening as early as in May. The Philippines are strongly dependent on diesel and LNG.



Shipping :

The shipping underlying trend remains the same : from now until 2028, global capacities will globally increase, stabilizing prices at an acceptable rate and enabling demand to be properly fulfilled.

However, since the beginning of the war, shipping lines have introduced EFS (Emergency Fuel Surcharges) as well as WRS (War Risk Surcharges) increasing a bit the freight costs as a consequence. These are linked to oil supply chain increased complexity, dangerous maritime routes and the some vessels immobilization. Therefore, prices will firm up as well and potentially increase. Regarding land transportation, fuel surcharges are already implemented and as a result, its costs have rose by more than 30%

To conclude, we advise our customers to secure as early as possible their volumes for Q2 and Q3 as well as considering an increase in their stocks. We are available if you have any question.