

Soyabean... “Keeping the inflation in check”

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SMC Global Securities Ltd.

Money wise. Be wise.

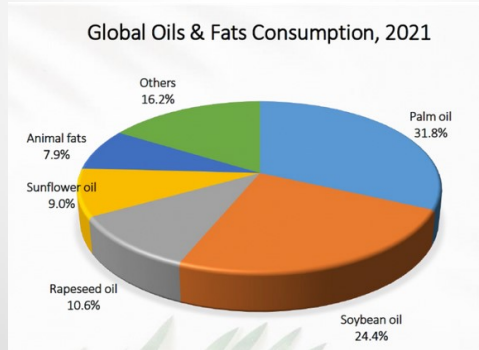
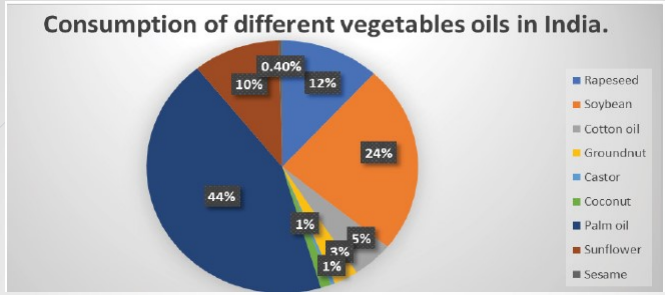


Oilseeds Market Overview

- ▶ The oilseeds Market is set to register a CAGR of 4.1% with a market value of \$201.1million in 2020 over the forecast period of 2021-2026.
- ▶ The rising consumption of soybean oil among the population has increased the demand for oilseeds.
- ▶ Oilseeds are also used for the production of bio-fuels owing to the demand for renewable energy sources increases.
- ▶ growing application of oilseeds in the cosmetic and pharmaceutical industry helps in enhancing the overall market demand for Oilseeds Market for the period 2021-2026.

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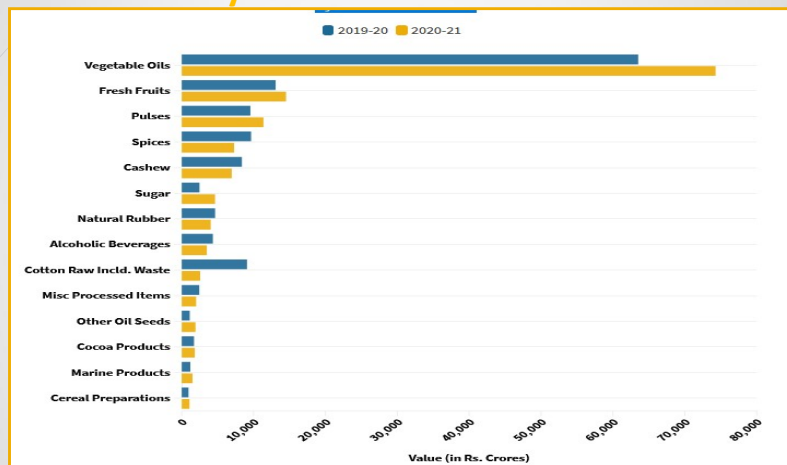




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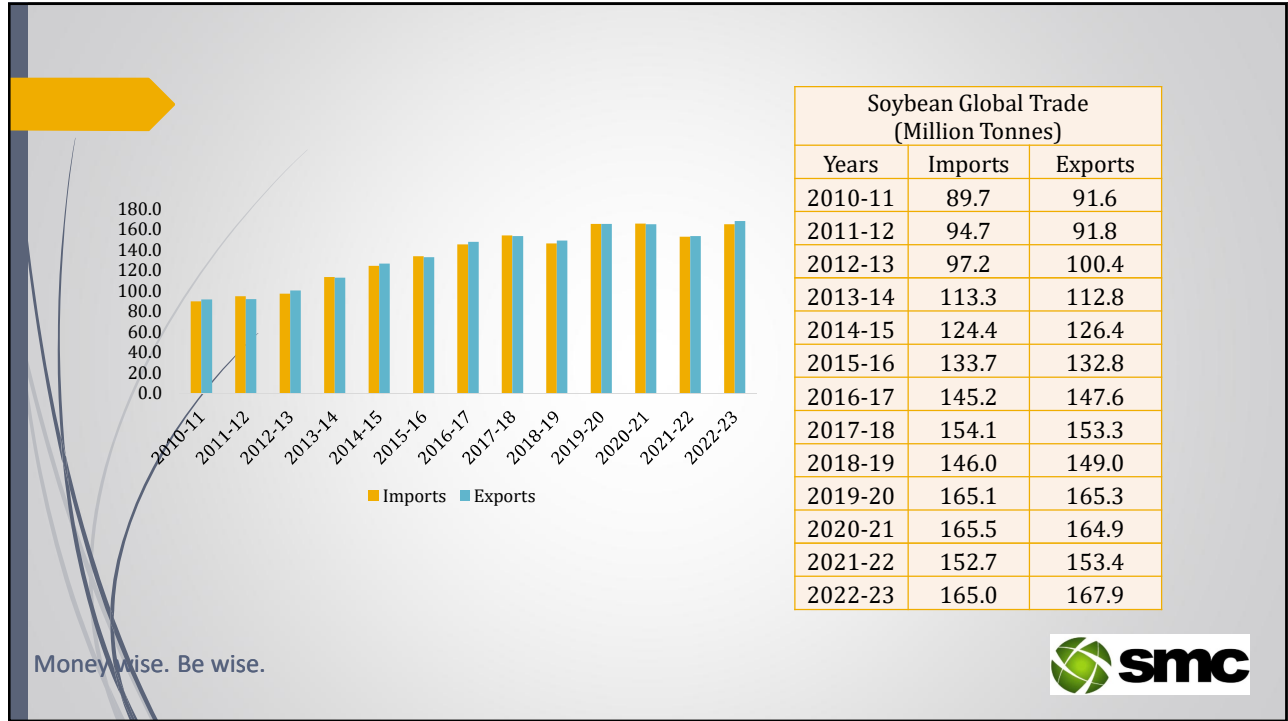
Imports of major commodities in 2019-20* & 2020-21* by Value in Rs. Crores



About 54% or more than half the agri-imports by India is of vegetable oils. India's vegetable oil imports in 2020-21, up to February 2021, are worth Rs. 74,286 crores.

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- ## Factors Influencing The Price
- Weather condition especially during sowing and pod bearing condition.
 - Demand for Soybean from Soybean processing industry.
 - Demand of Soymeal from poultry feed industry.
 - Government policies: MSP, Import duty, stock limit, import and export duty on its derivatives.
 - Demand-Supply and price scenario of other competitive oils i.e. palm oil.
 - Price movement of Soybean in international exchange CBOT.
 - International production of Soybean. International prices of Soymeal and Soy oil.

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Current triggers

- ▶ Costs are projected to increase in 2023 from 2022 levels.
- ▶ Fears of economic slowdown and weakening demand — particularly in China, the world's largest soybean consumer — started to slam prices back in June.
- ▶ A drop in tariffs could help boost more soybean purchases, thus increasing demand and then prices as the normal economic forces play out.
- ▶ Additional export sales in the 2022-23 marketing year.
- ▶ Fragile Currency
- ▶ War still on
- ▶ Shipment cost

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World Soybean Balance Sheet

Items (million tonnes)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Stocks	79.1	95.3	99.9	114.3	94.7	100.0	89.7
Production	350.4	343.7	362.4	340.2	368.4	353.2	389.8
Imports	145.2	154.1	146.0	165.1	165.5	152.7	165.0
Total Supply	574.7	593.1	608.3	619.5	628.7	606.0	644.5
Exports	147.6	153.3	149.0	165.3	164.9	153.4	167.9
Domestic Consumption	331.9	340.0	345.1	359.5	363.8	363.0	377.7
Total Demand	479.4	493.3	494.1	524.8	528.6	516.3	545.6
Ending Stocks	95.3	99.9	114.3	94.7	100.0	89.7	98.9

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World Soy oil Balance Sheet							
Items (million tonnes)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Stocks	4.0	4.1	4.3	4.7	5.3	5.1	4.6
Production	53.9	55.3	56.1	58.5	59.2	59.2	61.4
Imports	11.2	10.0	11.0	11.5	11.7	11.5	12.0
Total Supply	69.2	69.4	71.3	74.7	76.2	75.9	78.0
Exports	11.5	10.8	11.5	12.4	12.6	12.3	13.0
Domestic Consumption	53.6	54.4	55.1	57.0	58.4	59.0	60.2
Ending Stocks	4.1	4.3	4.7	5.3	5.1	4.6	4.9

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World Soy meal Balance Sheet							
Items (million tonnes)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Stocks	14.4	14.7	16.0	15.6	15.2	14.4	14.0
Production	226.1	232.7	233.9	245.3	247.8	246.2	256.7
Imports	61.2	63.1	63.3	62.0	63.8	64.4	65.3
Total Supply	301.8	310.5	313.2	322.9	326.8	325.1	336.0
Exports	65.4	65.8	68.0	67.6	69.0	69.1	70.0
Domestic Consumption	221.7	228.7	229.6	240.1	243.5	242.0	251.3
Ending Stocks	14.7	16.0	15.6	15.2	14.4	14.0	14.7

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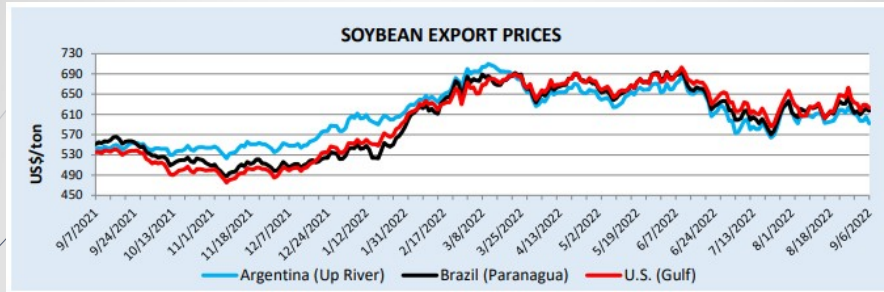




Soybean Imports (Million tonnes)							
Country	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
China	93.5	94.1	82.5	98.5	99.8	90.0	97.0
EU	12.7	13.9	14.3	15.0	14.8	13.6	14.8
Mexico	4.5	5.1	5.9	5.7	6.1	5.8	6.4
Argentina	1.7	4.7	6.4	4.9	4.8	3.5	4.8
Egypt	2.1	3.3	3.7	4.9	3.7	3.8	4.3
Thailand	3.1	2.5	3.2	3.8	4.2	3.4	4.1
Others	27.6	30.5	30.0	32.2	32.2	32.7	33.7
World	145.2	154.1	146.0	165.1	165.5	152.7	165.0

Soybean Export (Million tonnes)							
Country	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Brazil	63.1	76.1	74.9	92.1	81.7	80.0	89.0
US	59.0	58.1	47.7	45.8	61.7	58.4	56.7
Paraguay	6.1	6.0	4.9	6.6	6.3	2.5	6.5
Argentina	7.0	2.1	9.1	10.0	5.2	2.3	4.7
Canada	4.6	4.9	5.3	3.9	4.7	4.3	4.4
Uruguay	3.1	1.3	2.8	1.9	1.6	2.4	2.4
Others	4.6	4.7	4.3	4.9	3.7	3.6	4.1
World	147.6	153.3	149.0	165.3	164.9	153.4	167.9

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EXPORT PRICES

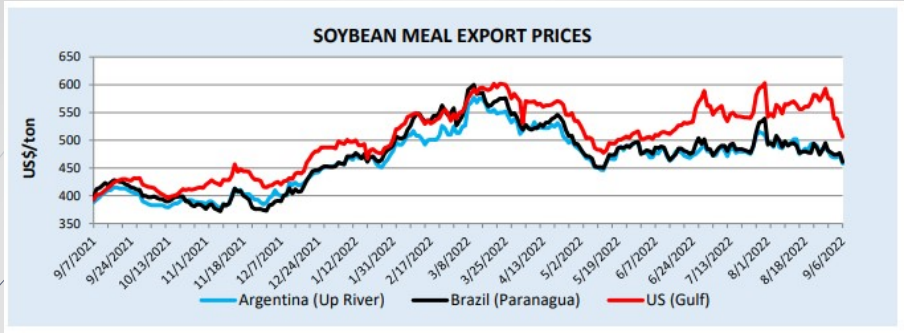
August 2022 Soybean Export Prices

	U.S.	Argentina	Brazil
August Average Price	\$627/ton	\$607/ton	\$620/ton
Change vs. July	+\$8/ton	+\$16/ton	+\$16/ton

Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

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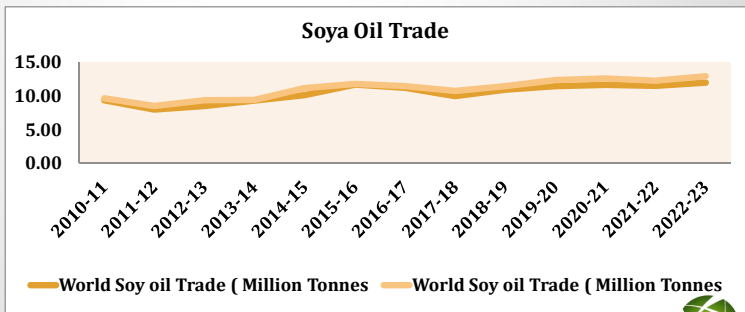
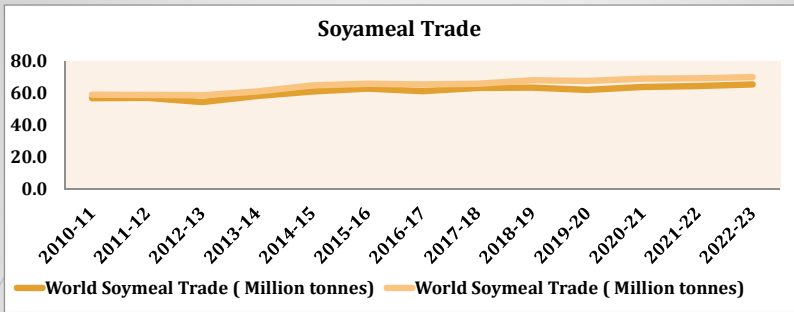


August 2022 Soybean Meal Export Prices

	U.S.	Argentina	Brazil
August Average Price	\$565/ton	\$489/ton	\$488/ton
Change vs. July	+\$8/ton	+\$3/ton	-\$5/ton

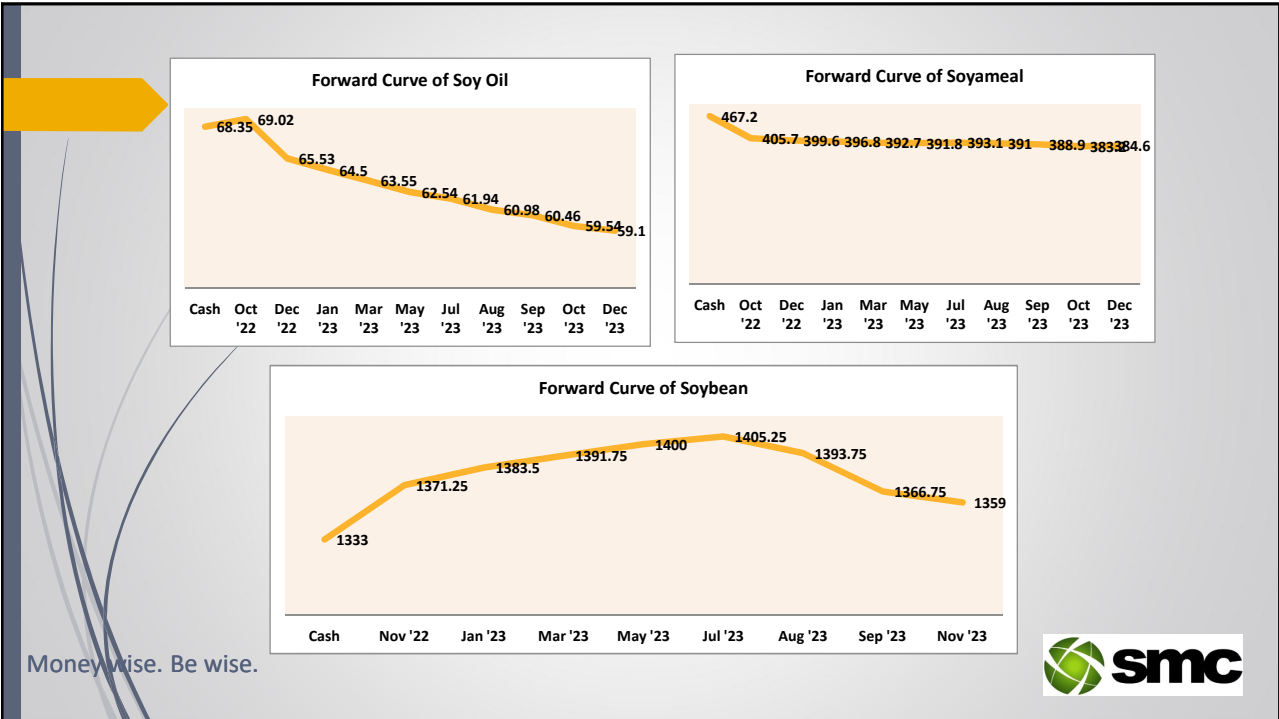
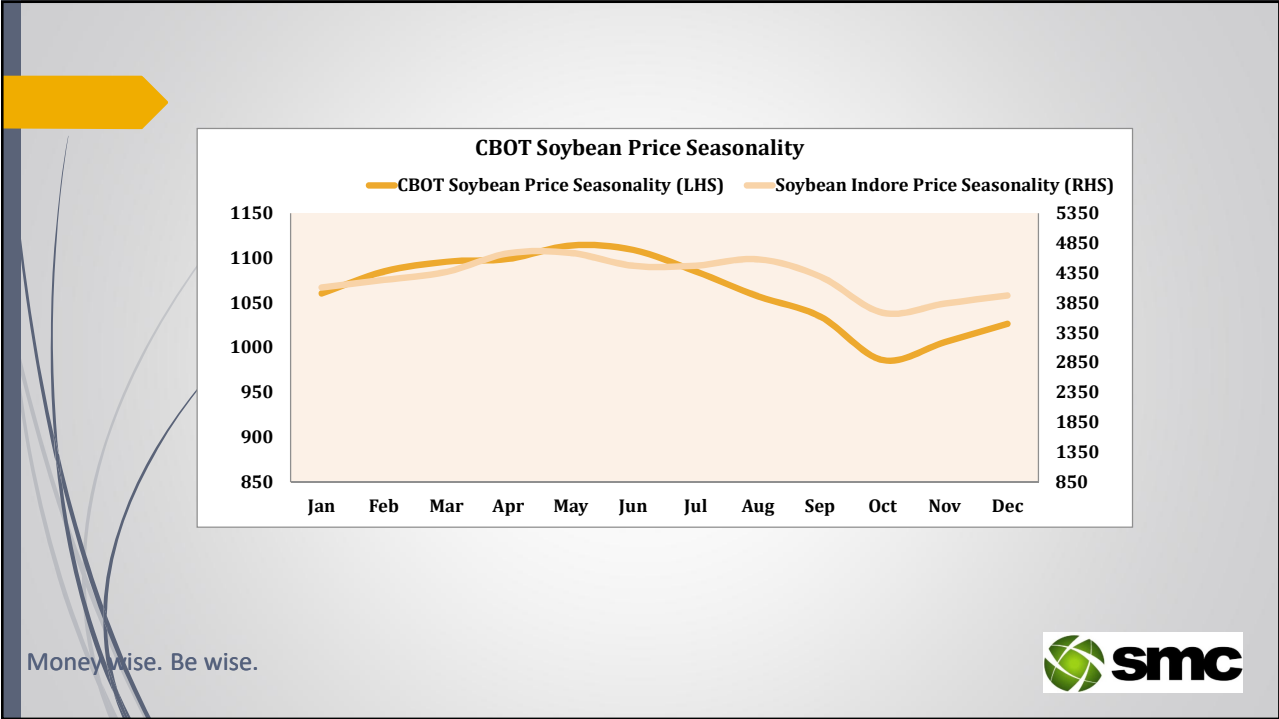
Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

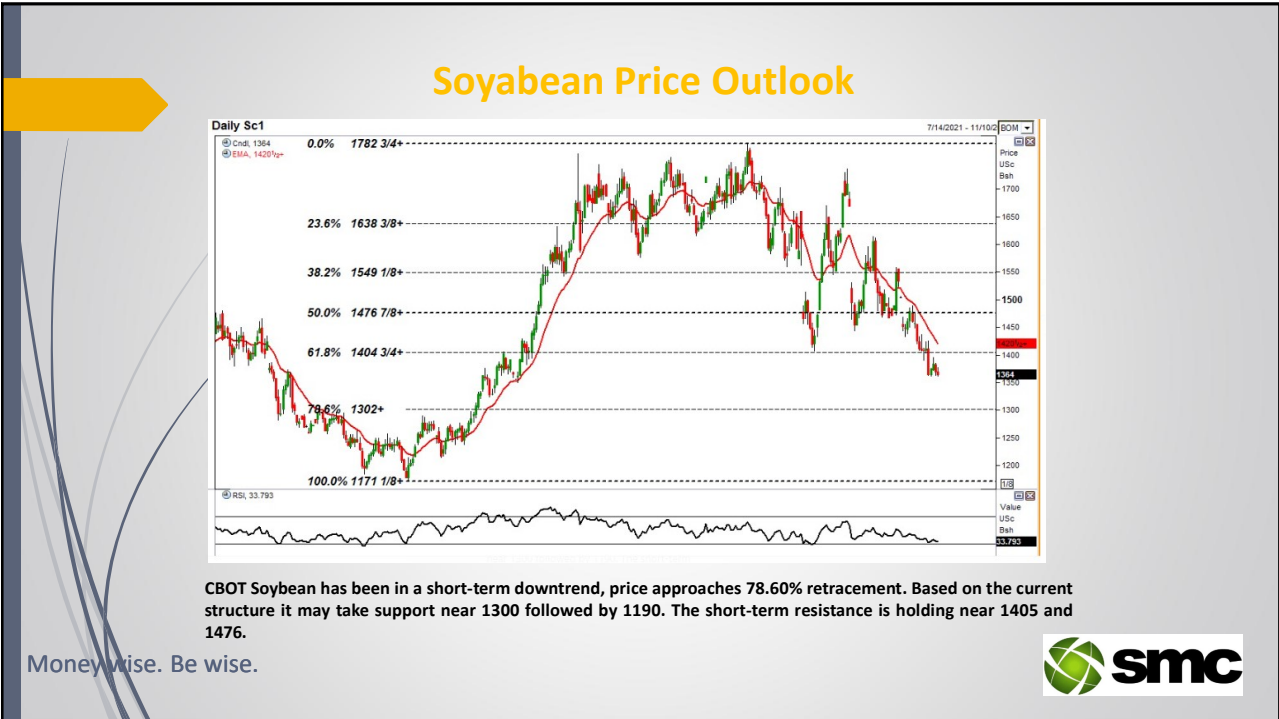
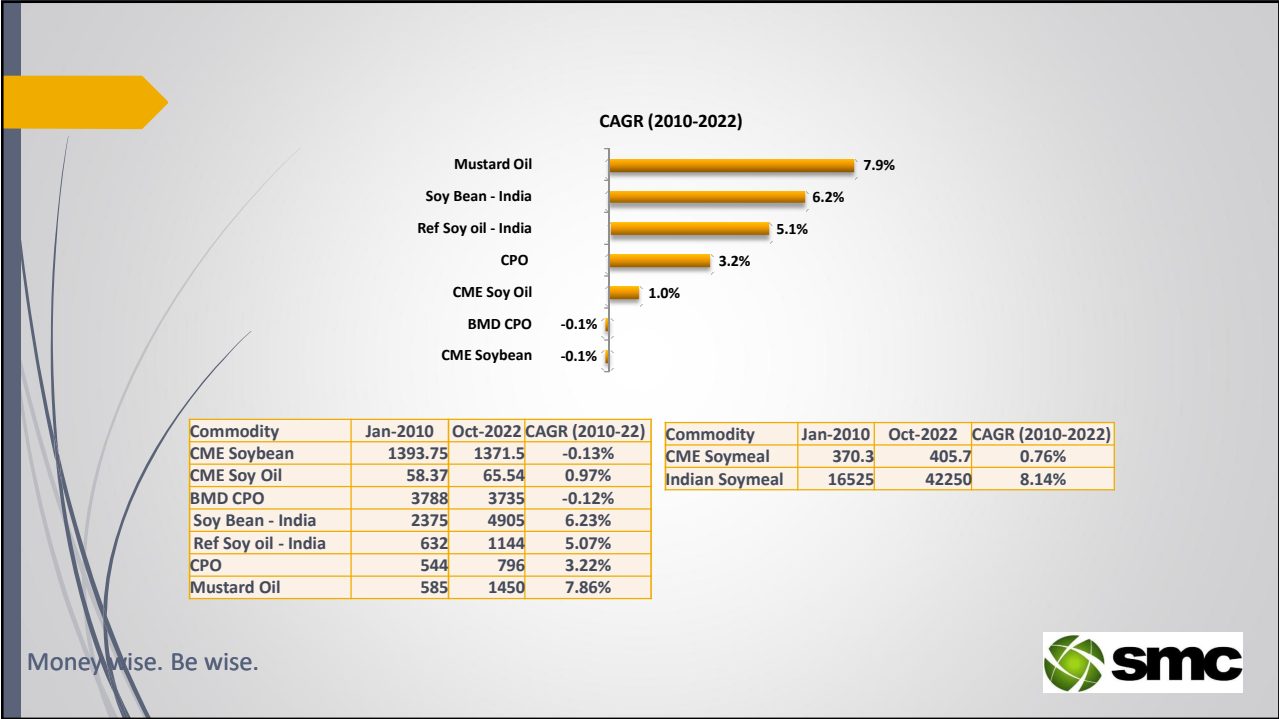
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Ref Soy Price Outlook



CBOT Soybean Oil has been in a short-term downtrend. Since July 2022 prices stuck in the shorter range of 65-73. Based on the present structure it will possibly break on the lower side and may take support near 57 levels followed by 49 and could face resistance near 73 and 82 respectively.

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Domestic Soyabean Price Outlook



Soybean Indore (Spot) price has been in a short-term downtrend. The structure looks weak and may take support near 4140 followed by 3064 and could face resistance near 5578 and 6172.

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Thank You!!!

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