

**Soy Meal Fundamentals:** Steady to firm tone are continued in Soymeal markets today, Friday. Soymeal (Indore) prices closed steady at Rs.31500/T.

- The provisional data of SOPA reveals India's August 2020 soymeal exports are down by 41% Y-o-Y at 45,000 metric tonnes compared to 76,000 metric tonnes. \*Figures may change later, if revised by the Association.
- The soybean crush margins continued to remain negative due to the weak factors and we expect them to recover if the demand in meal picks up and the soyoil imports fall which surged by 52% in July'20. Given the bearish global soybean supply outlook for the season, both demand in meal and reduction in soyoil import are unlikely in short-to-medium-term.
- Indian soymeal exports is already facing stiff competition from meal of South American origin due to their price competitiveness. The suspension of MEIS benefit/incentive of 5% by the Indian government have further made it challenging. India has lost the traditional South East Asian markets to South America in recent years. It is unable to market soymeal as non-GM which was an advantage few years back; Japan was the big buyer of non-GM soymeal of Indian origin earlier.
- In a major blow to the domestic soymeal market, which was already reeling under pressure, DGFT has blocked the online registration of Merchandise Export from India Scheme Claims (MEIS), this week, on its portal from exports undertaken 01.04.2020 onwards. This will result in further decline in soymeal exports from India, as MEIS benefit of 5% is a significant incentive to compete in the world market. SOPA has made a representation to the government to revoke the suspension of the MEIS benefit immediately. The revenue department have argued against continuing the MEIS, calling it wasteful and inefficient.
- Vietnam, Indonesia, Philippines, Thailand, S. Korea and Japan combined together is forecast to import 19.75 Mn T of soymeal in 2020/21 mainly from Argentina, Brazil and US.
- The export of oilmeals from India during July 2020 is provisionally reported at 262,085 tons compared to 233,042 tons in July, 2019 i.e. up by 12%. The main reason in increased of oilmeals in July 2020 is sharpened increased in export of rapeseed meal to 148,170 tons from 122,573 tons in July 2019. The overall export of oilmeals during April to July 2020 is provisionally reported at 841,195 tons compared to 917,811 tons during the same period of previous year i.e. down by 8.34% - SEA.
- India's soymeal shipments may fall to around 500,000 tonnes in 2019-20 (Oct-Sep), less than one fourth of the year-ago figure of 2.1 million tonnes due to slack in demand from traditional overseas buyers amid ongoing lockdowns, said, Soybean Processors Association of India Chairman Davish Jain.
- India's soymeal production of the country is likely to stand at 62.78 lakh tonnes. Carry over stock of Soymeal is estimated at 1.59 lakh tonnes and 1.37 lakh tons of carry forward stocks. While export sea and land may stand at 10 lakh tonnes lower output and non-competitive prices in world market. India had exported total 22 lakh tonnes in last year in 2018-19 season. Domestic consumption of Soymeal (Food) is estimated at 5.50 lakh tonnes and 47.50 lakh tonnes for Feed. In October month, India has exported total 0.50 lakh tonnes of Soymeal lower against 1.31 in Oct 2018 on lower overseas demand.
- During the week (September 4 to September 10, 2020) US Net sales reductions of 105,400 MT for 2019/2020--marketing-year low--were down noticeably from the previous week and from the prior 4-week average. Increases

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primarily for Mexico (8,100 MT, including decreases of 200 MT), Kuwait (5,000 MT), the Philippines (4,300 MT), Vietnam (3,800 MT, including decreases of 200 MT), and Indonesia (3,300 MT), were offset by reductions primarily for Canada (129,500 MT). For 2020/2021, net sales of 197,300 MT primarily for Canada (121,400 MT), Guatemala (30,200 MT), Mexico (24,000 MT), Colombia (22,000 MT), and Honduras (13,800 MT), were offset by reductions primarily for unknown destinations (32,400 MT). Exports of 228,700 MT were up 28 percent from the previous week and 15 percent from the prior 4-week average. The destinations were primarily to Mexico (50,700 MT), the Philippines (48,800 MT), Morocco (32,300 MT), Canada (21,700 MT), and Japan (18,900 MT).

- In the July 20 report, USDA has kept India's soymeal production at 6.64 million tonnes for 2019/20 in lower from 7.68 million tonnes in 2018/19 season. Domestic consumption is also placed unchanged at 5.49 million tonnes for this season which was estimated at 5.28 million tonnes last season.

#### Soy DOC Rates at Different Centers

Centres	Ex-factory rates (Rs/ton)		
	18-Sep-20	17-Sep-20	Parity To
Indore - 45%, Jute Bag	31500	31500	Gujarat, MP
Kota - 45%, PP Bag	33200	33200	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	34800	34500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	33200	33200	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	34000	33800	Andhra, AP, Kar, TN
Latur	33000	33000	-
Sangli	32800	32800	Local and South
Solapur	32000	32500	Local and South
Akola - 45%, PP Bag	32800	32800	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	34500	34500	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	33000	33000	-

#### Soy DOC at Ports

Centers	Port Price		
	17-Sep-20	16-Sep-20	Change
Kandla (FOR) (INR/MT)	35000	35000	Unch
Kandla (FAS) (USD/MT)	475	475	Unch
CNF Indonesia - Yellow SBM (USD/MT)	410	410	Unch

Rapeseed Meal	17-Sep-20	16-Sep-20	Change
FAS Kandla (USD/MT)	245	245	Unch
FOR Kandla (Rs/MT)	17700	17700	Unch
FOR Mundra (Rs/MT)	18000	18000	Unch
CNF Indonesia (USD/MT)	270	270	Unch

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International Soy DOC			
Argentina FOB USD/MT	17-Sep-20	16-Sep-20	Change
Soybean Pellets	388	377	11
Soybean Cake Flour	388	377	11
Soya Meal	390	378	12
Soy Expellers	390	378	12

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	18-Sep-20	17-Sep-20	Change
Adoni	23500	23200	300
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	22800	22200	600

Groundnut Meal (Rs/MT)	18-Sep-20	17-Sep-20	Change
Basis 45%, Saurashtra	27500	27500	Unch
Basis 40%, Saurashtra	25500	25500	Unch
GN Cake, Gondal	29000	29000	Unch

Mustard DOC	18-Sep-20	17-Sep-20	Change
Jaipur (Plant delivery)	16700	16700	Unch
Kandla (FOR Rs/MT)	17500	17400	100

Mumbai Oil Meal Quotes:			
Rs/M.T.	18-Sep-20	17-Sep-20	Change
G.N. Extr (45%)	27000	27000	Unch
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	23000	23500	-500
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	18500	19000	-500
Rapeseed Extr.	NA	NA	-
Soymeal 48%	32870	32870	Unch
Castor Extr.	5500	5500	Unch

**Outlook:** The soy meal prices (Indore) are likely to feature upside movement between Rs. 31500 – 32,000 /MT after improved demand from poultry sector, in near to medium-term.

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