

**Soy Meal Fundamentals:** *Steady to weak tone are featured in Soymeal markets today, Tuesday. Soymeal (Indore) prices closed lower at Rs.29000/T against 29500/T. Persistent weak demand from poultry sector and poor overseas demand with expectation of higher stock during the season will continue pressuring the domestic soymeal.*

- *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.*
- *India's export of oilmeals for the month of August 2020 is reported at 171,515 tonnes compared to 228,484 tonnes in August, 2019 i.e. down by 25%. The overall export of oilmeals during April to August 2020 is provisionally also reported down at 1,013,177 tonnes compared to 1,146,295 tonnes during the same period of previous year i.e. down by 12%.*
- *The soymeal exports fell by 6% to 58,190 tonnes in August 2020 compared to 61,957 tonnes in the same period last year. Besides, it fell by 24% to 2,49,339 tonnes during the last five months (Apr.-Aug.) of financial year 2020-21 compared to 3,28,633 tonnes during the corresponding period last year.*
- *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*

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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 18 to September 24, 2020) US Net sales of 13,600 MT for 2019/2020 were down 53 percent from the previous week and 15 percent from the prior 4-week average. Increases primarily for Vietnam (7,000 MT), Burma (5,700 MT), Malaysia (2,000 MT), Canada (1,700 MT, including decreases of 800 MT), and Colombia (1,500 MT), were offset by reductions primarily for Mexico (4,900 MT), unknown destinations (800 MT), and the Philippines (200 MT). For 2020/2021, net sales of 523,100 MT primarily for Colombia (110,600 MT), unknown destinations (100,800 MT), Spain (60,000 MT), Denmark (45,000 MT), and the Philippines (44,000 MT), were offset by reductions primarily for Burma (2,000 MT). Exports of 135,800 MT were down 2 percent from the previous week and 23 percent from the prior 4-week average. The destinations were to the Philippines (52,900 MT), Mexico (21,500 MT), Colombia (20,000 MT), Canada (19,500 MT), and Jamaica (6,400 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)		
	6-Oct-20	5-Oct-20	Parity To
Indore - 45%, Jute Bag	28800	29000	Gujarat, MP
Kota - 45%, PP Bag	31000	32000	Rajasthan, Del, Punjab, Haryana
Dhulia/Jalna - 45%, PP Bag	31500	32500	Mumbai, Maharashtra
Nagpur - 45%, PP Bag	31800	32000	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Nanded	32000	32500	Andhra, AP, Kar, TN
Latur	31500	31800	-
Sangli	30200	30500	Local and South
Solapur	30000	30000	Local and South
Akola - 45%, PP Bag	30200	30000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Hingoli	32500	33000	Andhra, Chattisgarh, Orissa, Jharkhand, WB
Bundi	30800	31800	-

Soy DOC at Ports			
Centers	Port Price		
	5-Oct-20	3-Oct-20	Change
Kandla (FOR) (INR/MT)	31300	35000	-3700
Kandla (FAS) (USD/MT)	420	425	-5
CNF Indonesia - Yellow SBM (USD/MT)	440	450	-10

Rapeseed Meal	5-Oct-20	3-Oct-20	Change
FAS Kandla (USD/MT)	250	247	3
FOR Kandla (Rs/MT)	18000	17750	250

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FOR Mundra (Rs/MT)	18400	18100	300
CNF Indonesia (USD/MT)	278	275	3

International Soy DOC			
Argentina FOB USD/MT	5-Oct-20	3-Oct-20	Change
Soybean Pellets	401	Closed	-
Soybean Cake Flour	401	Closed	-
Soya Meal	398	Closed	-
Soy Expellers	398	Closed	-

Sunflower (DOC) Rates	Ex-factory rates (Rs/ton)		
Centers	6-Oct-20	5-Oct-20	Change
Adoni	23200	23200	Unch
Khamgaon	NA	NA	-
Parli	NA	NA	-
Latur	22700	22700	Unch

Groundnut Meal (Rs/MT)	6-Oct-20	5-Oct-20	Change
Basis 45%, Saurashtra	25500	25500	Unch
Basis 40%, Saurashtra	23000	23000	Unch
GN Cake, Gondal	26000	26000	Unch

Mustard DOC	6-Oct-20	5-Oct-20	Change
Jaipur (Plant delivery)	17200	17200	Unch
Kandla (FOR Rs/MT)	18000	18000	Unch

Mumbai Oil Meal Quotes:			
Rs/M.T.	6-Oct-20	5-Oct-20	Change
G.N. Extr (45%)	25000	25500	-500
Kardi Extr	NA	NA	-
Undec Cottonseed Exp	22500	22000	500
Rice Bran Extr.	NA	NA	-
Sunflower Extr.	18500	18500	Unch
Rapeseed Extr.	NA	NA	-
Soymeal 48%	29739	30260	-521
Castor Extr.	5500	5500	Unch

**Outlook:** The soy meal prices (Indore) are likely to feature downside movement between Rs. 28000–28500 /MT amid declining demand from poultry sector, in near to medium-term.

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