



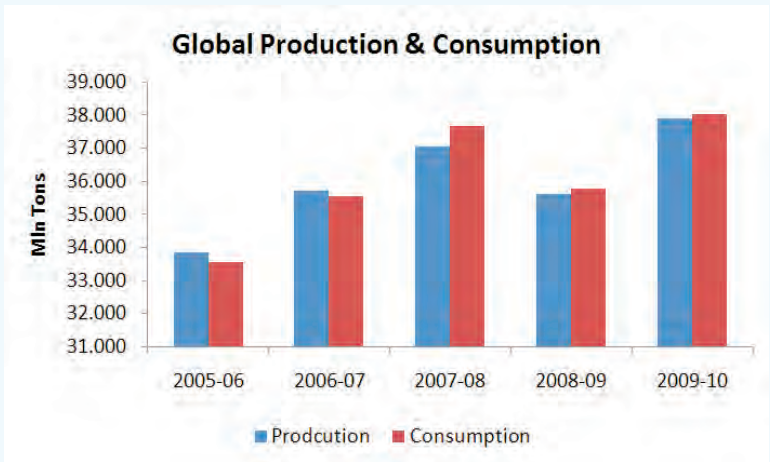
Introduction

- Soy oil is extracted from soybeans and has around 25% share in the total vegetable oil consumption.
- Soy oil, like all other vegetable oils is cholesterol-free and low in saturated fat.
- Soy oil has a unique blend of two types of fatty acids called omega-3 fatty acids and omega-6 fatty acids. The omega-3 fatty acids in soy oil are similar to the type of fat found in fish oil, which is considered to reduce risk of heart disease.
- One teaspoon of soy oil contains about 5 grams of fat and 45 calories.

Importance and uses

- Soy oil is used by the food industry in a variety of products including mayonnaise, coffee creamers, margarine, sandwich spreads and salad dressings.
- Soy oil is light in flavor and has almost no odor.
- Cooking with soy oil allows the flavor of other foods in a recipe to shine through.
- Soy oil also has a high smoking point: 440° F.
- Apart from its household use, it is used as key fat ingredient in industrial food manufacturing where together with palm oil it represents most commonly used fat.
- Soybean oil is not only used in food products but it is also used as renewable raw material to produce a variety of non-food products including bio diesel, inks, plasticizers, crayons, paints and soy candles.

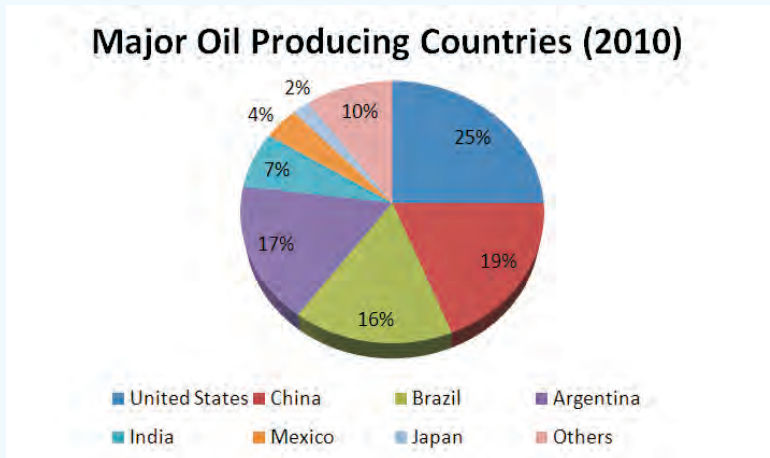
World Scenario



Source: USDA

- World soy oil production has shown an increasing trend. It averages at 36.68 million tonnes (Avg. from 2005-06 to 2009-10).
- Soy oil production is growing at the rate of 1.97 per cent annually.
- Global soy oil consumption, estimated at 36.85 million tonnes, has seen steady increase over the years. The only exception was 2008-09 when consumption has declined and ruled at 35.9 million tonnes. It has again regained the uptrend in 2009-10 at around 37.8 million tonnes

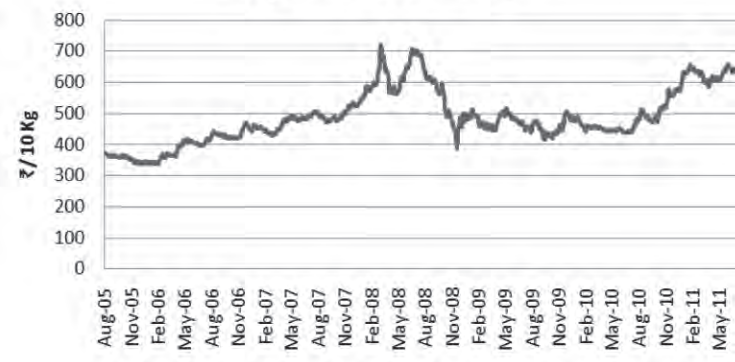
Major Oil Producing Countries



Source: USDA

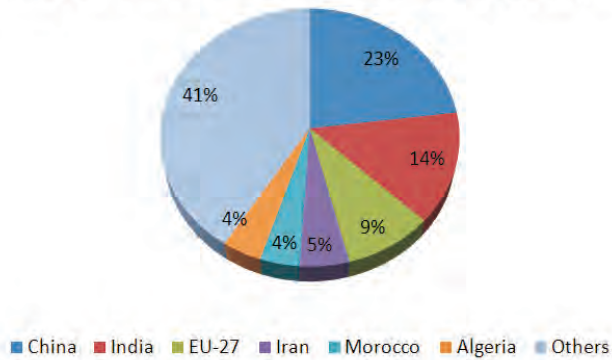
- Largest producer of soy oil is United States, which accounts for about 25%.
- Other major producing countries are China with 19% production followed by Argentina (17%) & Brazil (16%). India ranks 5th in soy oil production with a share of 7%.

Soy Oil: Price Trend



✓ Major Soy Oil importing countries

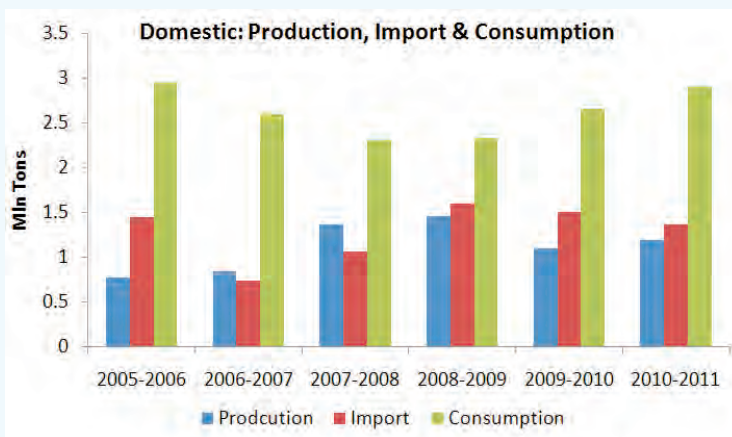
Major Oil Consuming Countries(2010)



Source: USDA

- Average annual global soy oil export is at around 10 million tonnes and import averaged at 9.35 million tonnes (Avg. from 2005-06 to 2009-10).
- Argentina, the largest soy oil exporter, accounts for 54 per cent of the total exports.
- Other exporting countries are Brazil (22%), United States (10.5%), and Paraguay (2.8%). China is the largest importer of soy oil with a share of 23% of total global imports. Other large importing countries are India, EU-27, Morocco, Iran and Algeria.

✓ Domestic Scenario



Source: USDA

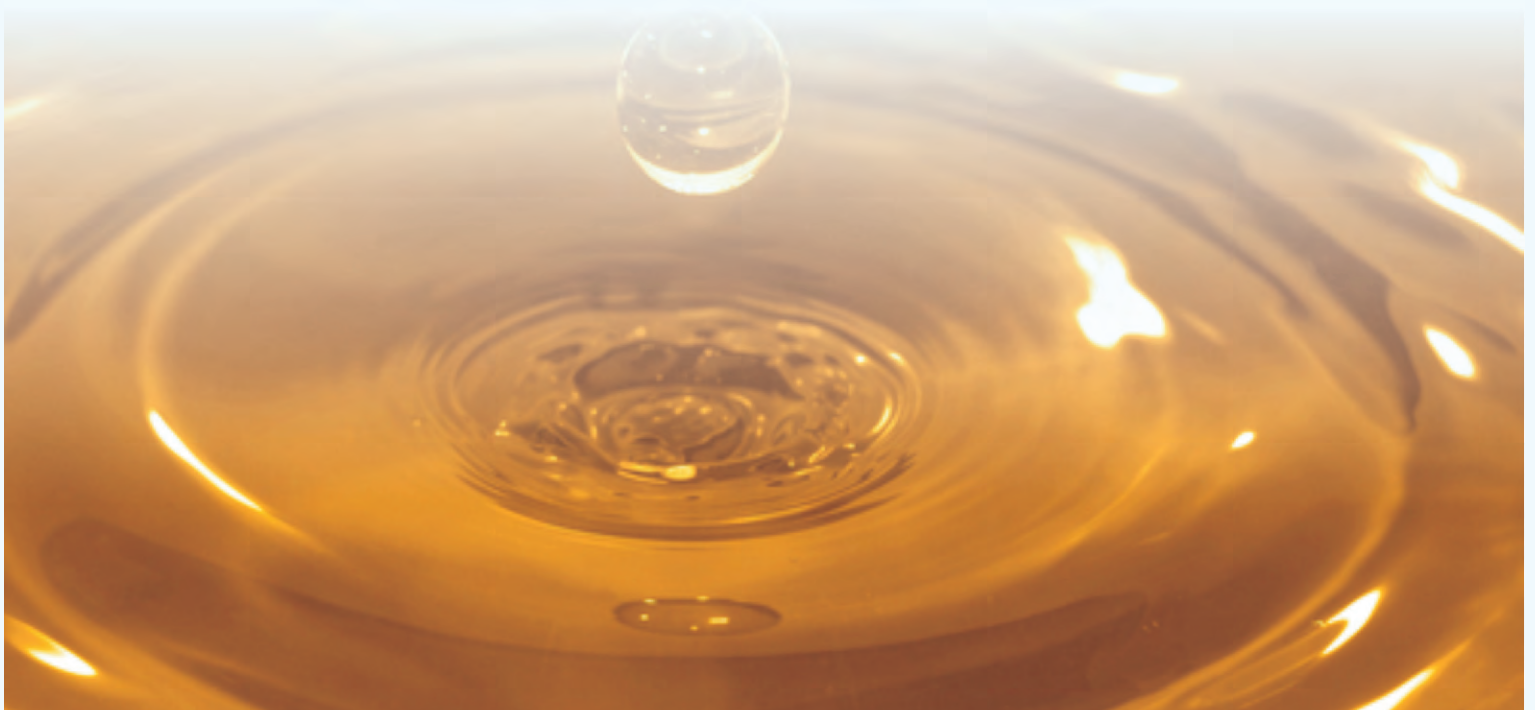
- India cannot meet the domestic oil requirement only through its production; hence we meet almost half of our consumption through imports.
- Import of soy oil in India is averaged at 1.29 million tonnes (avg. from 2005-06 to 2009-10).
- In recent years, soy oil imports have shown a declining trend and have registered a negative growth of 3.3 per cent annually. This could be mainly linked to increased domestic production. India mainly imports soy oil from Argentina.
- Between 2005-06 and 2009-10, average Indian soy oil consumption was around 2.59 million tonnes.
- In 2008-09, consumption was around 2.30 million tonnes. It increased in 2009-10 and is 2.87 million tonnes in 2010-11. Annual growth rate in consumption stood at 3.4%.

✓ Factors Influencing Indian Soy Oil Prices

- Area under soybean crop
- Weather in major producing countries
- Crush margin between meal, oil and seed
- Soy meal export and domestic demand
- Currency movement
- Government policies on import duty, tariff value of soy oil as well as substitutes such as Crude Palm Oil (CPO)
- Pests and diseases
- Price trend of soy oil at CBOT

✓ Futures Trading of Refined Soy Oil at Major Exchanges Internationally

- Chicago Board of Trade (CBOT)/CME
- The South African Futures Exchange (SAFEX)
- Dalian Commodity Exchange (DC)
- Tokyo Grain Exchange (TGE) in Japan



CONTRACT SPECIFICATIONS

Contract Symbol		RSO DDMMYY
Underlying Commodity		REFINED SOY OIL
Trading		
Trading Unit/Contract Size		10 MT
Quotation/ Base Value		₹ / 10 Kg
Price Quote		Ex-Indore inclusive of all taxes.
Tick Size		5 paisa
Trading Hours (IST)	Monday to Friday	10.00 a.m. to 5.00 p.m.
	Saturday	10.00 a.m. to 2.00 p.m.
Daily Price Limit (DPL)		The daily price limit will be (+/-) 3% extended by +/- 1% up to (+/-) 4% provided a cooling period of 15 minutes when the trade hits the prescribed DPL. DPL is directly correlated with Reference Price or Previous Day's Closing price. The system shall not permit the trade beyond the revised limit of (+ / -) 4% during the day.
Initial Margin		5%
Special Margin		When there is excess market volatility, Exchange will impose special margin of appropriate percentage, as it deems fit and proper on both buy and sell side in respect of all outstanding positions. This margin will remain in force till volatility persists, after which the same will be relaxed.
Maximum allowable open position		For individual client 25,000 MT and for a member collectively for all clients 125,000 MT or 15% of the market-wide open position, whichever is higher.
		For near month contract
		For individual client 6,000 MT and for a member collectively for all clients 30,000 MT or 15% of the market-wide open position, whichever is higher.
Quality Specification		
Parameter	Basis	
Moisture & insoluble impurities, Max	0.10%	
Color, " cell, Lovibond Y+5R, Max	4	
Refractive Index at 40C	1.4650-1.4710	
Specific Gravity at 30C 25/25	0.917-0.921	
Saponification Value	189-195	
Iodine Value (Wijs)	120-141	
Unsaponifiable matter, % by mass, Max	1.5	
FFA, % Max	0.25	
Flash point, Pensky Martin Method, C, Min	250	
Delivery		
Delivery logic	Both	
Delivery unit	10 MT	
Delivery margin	Delivery margin of 25% shall be imposed on expiry day on matched quantity.	
Main delivery centre	Within 50 km radius of Indore Municipal limit	



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