

## CONTRACT SPECIFICATIONS

Commodity	Ticker Symbol	Basis*	Delivery Logic
Refined Soy Oil	SYOREF	Indore	Intention Matching

Quotation	GST	Trading and Delivery Unit	Tick Size	Expiry date	Position Limits			
					Aggregate		Near Month	
Rs/Per 10 Kg	Exclusive	5 MT	10 Paise	20th of the delivery month	Member 5,00,000	Client 50,000	Member 1,25,000	Client 12,500

Quality Specifications	Moisture & insoluble impurities		0.10 % (max)
	Color, Lovibond Y+5R, 51/4" cell		12 Unit (max)
	Refractive Index at 40C		1.4650-1.4710
	Un saponifiable matter		1.5 % (Max)
	FFA%		0.25% (max)
	Acid Value		Not more than 0.50
	Phosphorous		Not more than 0.02

\* upto the radius of 50 kms from the municipal limits.

For detailed contract specifications visit website [www.ncdex.com](http://www.ncdex.com)

## Commodity at a Glance

# NCDEX Refined Soy Oil Futures



- Benchmark Futures contract for Refined Soy Oil
- Hedging and price risk management tool for value chain
- Efficient and transparent price discovery
- Robust delivery mechanism
- Connects the entire value chain

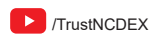


**National Commodity & Derivatives Exchange Limited**

CIN: U51909MH2003PLC140116

Ackruti Corporate Park, 1st Floor, Near G.E.Garden, L.B.S. Marg, Kanjurmarg (West), Mumbai - 400 078

T : (+91-22) - 66406789 | F : (+91-22) - 66406899 | Toll Free : 1800 26 62339 | E-mail: [askus@ncdex.com](mailto:askus@ncdex.com) | [www.ncdex.com](http://www.ncdex.com)



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Launched on 15 Dec, 2003

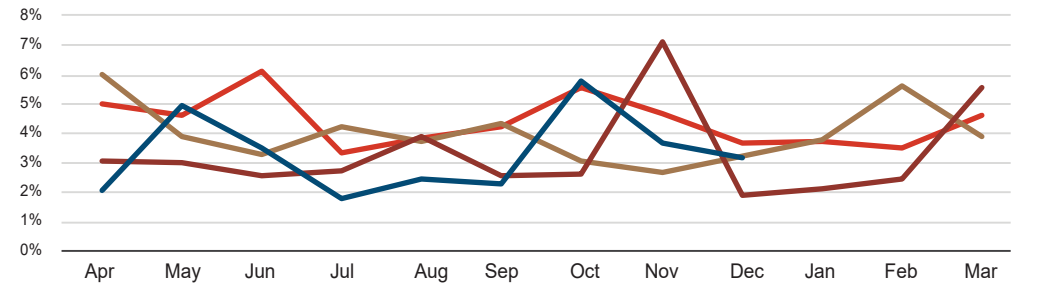
\* Highest monthly  
ADTQ 3,42,188 MT  
ADOI 3,58,818 MT

\* Total deliveries  
till Jan 2019  
6,650 MT

\* Since Inception

- India is the leading importer of soybean oil in the world followed by China.
- Major producing states: Gujarat, Rajasthan, Maharashtra and Madhya Pradesh.
- Major consumption countries: China, US, Brazil, India, Argentina.
- Major exporting countries: Argentina, Brazil, United States, EU and Paraguay.

## SOYBEAN OIL FUTURES MONTHLY PRICE VOLATILITY



Source - NCDEX Futures Price

Annualised Volatility

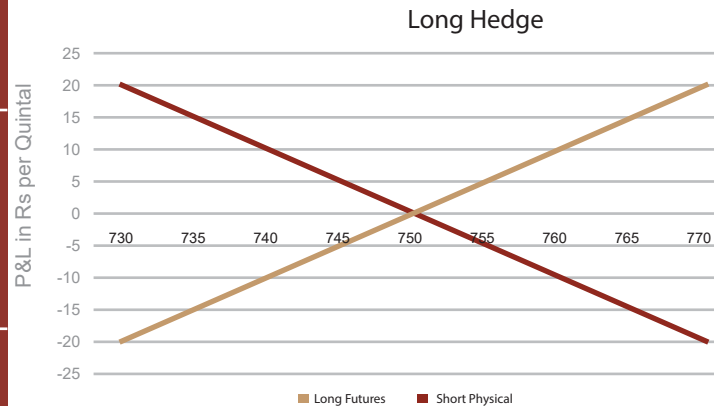
2015-16 (14.96%) 2016-17 (13.63.00%) 2017-18 (12.17%) 2018-19 (10.49%)

## PRICE RISK HEDGING

Processor/Hedger locks in the Refined Soy Oil Futures price at Rs 750/quintal for a long position

If the price of Refined Soy Oil decreases in the physical market, the gain in the physical market is offset by the loss in the Futures market

If the price of Refined Soy Oil increases in the physical market, the loss in the futures market is offset by the gain in the physical market

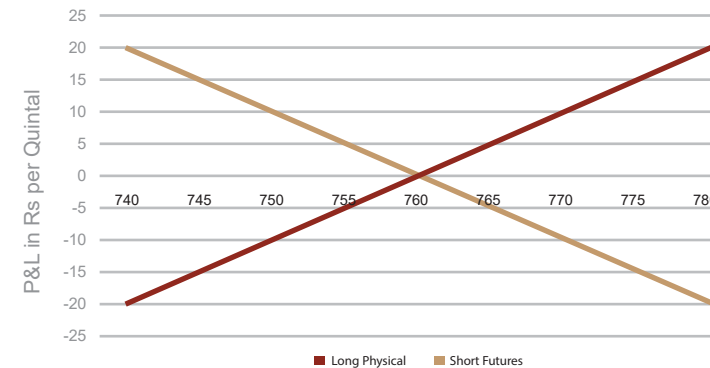


## Short Hedge

Hedger locks in the Refined Soy Oil Futures price at Rs 760/Per 10 Kg for a short position

If the price of Refined Soy Oil decreases in the physical market, the loss in the physical market is offset by the gain in the Futures market

If the price of Refined Soy Oil increases in the physical market, the loss in the futures market is offset by the gain in the physical market



Graphs : For illustrative purposes only

## USES OF SOYBEAN OIL

- Soybean oil is one of the most important edible oils used in India.
- Used in cooking and frying foods. Margarine is a product made from soybean oil. Salad dressings and mayonnaises are made with soybean oil.
- Some foods are packed in soybean oil (tuna sardines, etc.), baked breads, crackers, cakes, cookies and pies usually have soybean oil in them.
- Lecithin is a product extracted from soybean oil, and it is a natural emulsifier and lubricant

## FACTORS INFLUENCING THE PRICE

- Production dependence upon agro-climatic conditions e.g., rainfall, temperature etc.
- Concentration of production base in few countries (USA, Argentina, Brazil) as against its widespread consumption base
- Its close link with its internationally traded substitutes (Palm, Mustard oil), and its base raw material (soybean) in addition to its co-derivative (soy meal)
- The crush margin between Oil, Meal and seed
- Government Import Policy
- The nature of the existing long drawn value chain