NCDEX Soybean Futures

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

Launched on 15 Dec, 2003

* Highest monthly
  ADTQ  310,538 MT
  ADOI  5,88,718 MT

* Total deliveries till Jan 2019
  9,35,020 MT

* Since Inception

Commodity at a Glance

NCDEX Soybean Futures

.Contract Specifications

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Ticker Symbol</th>
<th>Basis*</th>
<th>Additional Delivery center*</th>
<th>Delivery Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soy Bean</td>
<td>SYBEANIDR</td>
<td>Indore</td>
<td>Akola, Latur (Maharashtra), Mandsaur, Kota (Rajasthan)</td>
<td>Compulsory Delivery</td>
</tr>
</tbody>
</table>

**Quotation** | **GST** | **Trading and Delivery Unit** | **Tick Size** | **Expiry date** | **Position Limits** | **Aggregate** | **Near Month** |
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<tbody>
<tr>
<td>Rs. / quintal</td>
<td>Exclusive</td>
<td>5 MT</td>
<td>Rs.2</td>
<td>20th of the delivery month</td>
<td>Member 13,50,000, Client 1,35,000</td>
<td>Member 3,37,500, Client 33,750</td>
<td></td>
</tr>
</tbody>
</table>

**Quality Specifications**

| Foreign Matter | 2% |
| Green Seed     | 7% |
| Damaged        | 2% |
| Moisture       | 9% basis, 11% Maximum |

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

For detailed contract specifications visit website www.ncdex.com

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- India produces around 10 Mn tonnes of Soybean, while global production is around 340 Mn tonnes.
- Major Producing Countries: USA, Brazil and Argentina
- Major Producing states: MP, Maharashtra and Rajasthan
- Soybean seed is processed for Soymeal and Soy oil, both of these product are consumed throughout the country. Previously substantial part of Soymeal productions gets exported but from last two years exports reduced and domestic consumption increased.

**USES OF SOYBEAN**
- Processed Soybean is the largest source of protein feed and second largest source of vegetable oil in the world.
- Soybean seed is processed for Soymeal and Soy oil, both of these product are consumed throughout the country.
- There are many other product which are manufactured from Soybean like Soy nutrila, Soy flour, Soy yogurt, Soy sause, Soy milk, tofu etc

**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.

**PRICE RISK HEDGING**
- Processor/Hedger locks in the Soybean Futures price at Rs 3500/quintal for a long position
  - If the price of Soybean decreases in the physical market, the loss in the Futures market is offset by gain in the physical market
  - If the price of Soybean increases in the physical market, the loss in the physical market is offset by the gain in the Futures market

- Farmer/Hedger locks in the Soybean Futures price at Rs 3700/quintal for a short position
  - If the price of Soybean decreases in the physical market, the loss in the Futures market is offset by the gain in the Futures market
  - If the price of Soybean increases in the physical market, the loss in the Futures market is offset by the gain in the physical market

**SOYBEAN FUTURES MONTHLY PRICE VOLATILITY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annualised Volatility</th>
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<tbody>
<tr>
<td>2015-16</td>
<td>(25.63%)</td>
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<tr>
<td>2016-17</td>
<td>(19.00%)</td>
</tr>
<tr>
<td>2017-18</td>
<td>(19.34%)</td>
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<tr>
<td>2018-19</td>
<td>(17.12%)</td>
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</tbody>
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**SEASONALITY**