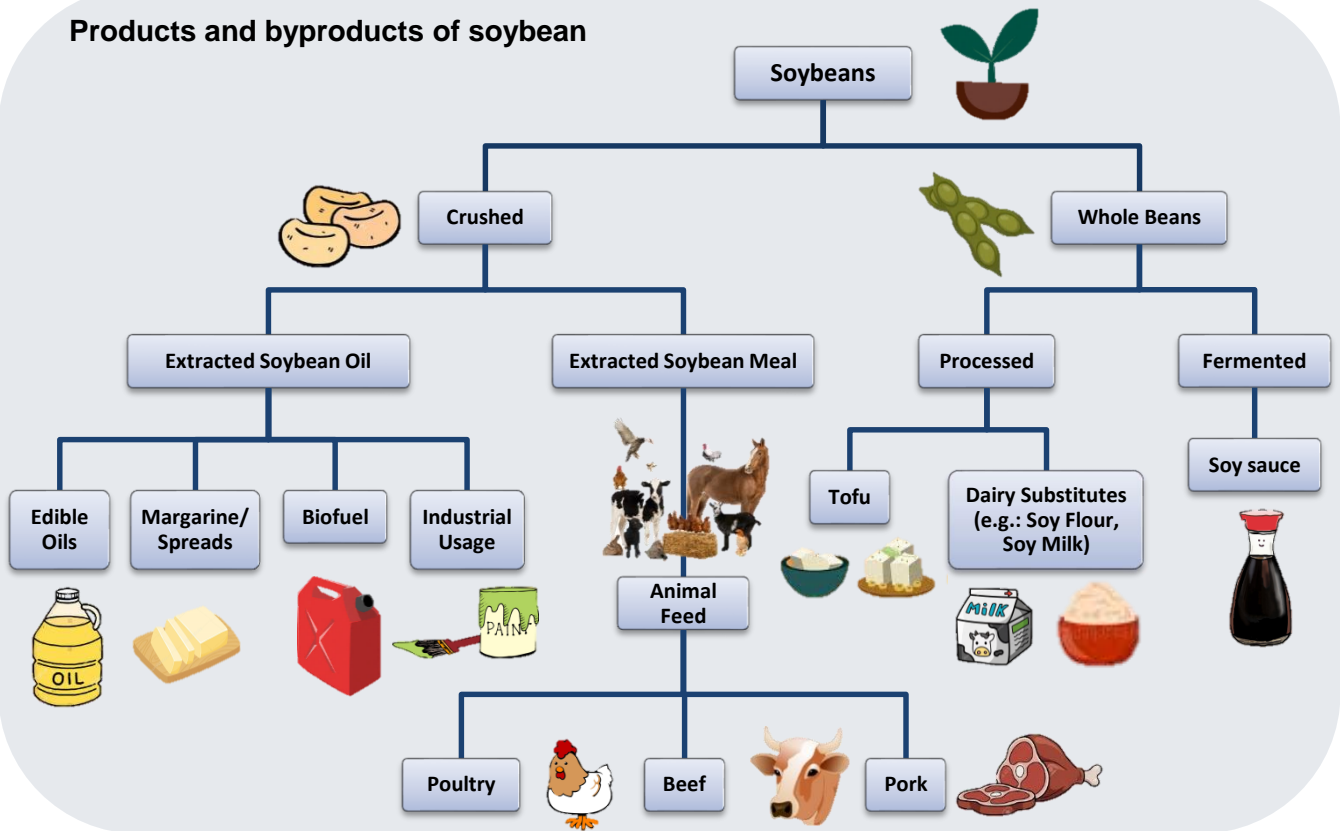


SOYBEAN FAMILY FACTSHEET

Soybean is edible and an important source of protein. It is widely cultivated for the crop to be turned into food sources where they are eaten as a whole or used in ingredients such as tofu and soy sauce.

A vast majority of soybean today is processed for their oil and protein to be used as cooking oil, livestock feeds, and dairy substitutes. A smaller percentage is milled for human consumption and made into retail food products, including soy milk and soy flour.

Products and byproducts of soybean



Top Producers 2020

- (mil metric tons):
- 1) Brazil (126)
 - 2) United States (96.6)
 - 3) Argentina (48.8)
 - 4) China (18.1)
 - 5) Paraguay (9.9)



Top Importers 2019

- (mil metric tons):
- 1) China (88)
 - 2) European Union (15.8)
 - 3) Argentina (5.35)
 - 4) Mexico (5.23)
 - 5) Egypt (3.35)

*Data for 2019 and 2020
Source: Statista



DO YOU KNOW?

China is the largest consumer of soybean in the world. The country imports soybeans more than it produces.



SOYBEAN FACTSHEET

Factors That Move The Market

- Demand – China accounts for the largest consumption of soybean.
- Supply – Production outlook from US, Argentina and other producing countries.
- Government Policy Changes – Crop subsidies have significant effect on prices.
- Inventory Figures – USDA periodically releases information on projected production.
- Climate – El Nino and La Nina weather conditions. The mean temperature requirement ranges between 20 °C and 30 °C.
- Value of USD - Soybean is highly traded on international market.
- Price of substitutes – Soybean oil and corn compete in the cooking oil, animal feed and bio fuel industry



Competing Agriculture & Crude Oil Prices



CORN

Corn and Soybean are complements of each other. They compete in the cooking oil, animal feed and biofuel industry.

Crude Oil



Crude oil prices can also affect soybean prices. The main reason for this relationship between crude oil and soybean is the growing importance of soybean in the biofuel sector.

Key Statistics:

- ❖ Average daily volume (2020) : ~242k contracts
- ❖ Year-end open interest (2020): ~ 890k contracts

Contract Specifications (Source: CME Group website)

Product	Soybean Futures	Mini Soybean Futures
Product Symbol	ZS	XK
Contract Multiplier	5,000 bushels	1,000 bushels
Minimum price Fluctuation	¼ of one cent = 0.25c	1/8 of one cent = 0.125c
Value per Tick	\$ 12.50	\$1.25
Settlement	Physical Delivery	Physical Delivery
Trading Hours (Malaysian Time)	0600 – 0500 (Daylight Saving Time) 0700 – 0600 (Non-DST)	



SOYBEAN MEAL FACTSHEET

What Is Soybean Meal ?

- ❖ Soybean meal is an important staple in livestock and poultry diets. It is made from grinding high quality residues from soybean production into a yellowish-green flour.
- ❖ Soybean meal has become the world's choice for protein supplement due to its high protein levels, amino acid balance and overall nutrient content.
- ❖ Soybean meal is an investable asset thanks to the development of a futures market linked to this commodity

Key Features of Soybean Meal Futures Contract:

- ❖ Soybean meal futures is traded on CME Group's Chicago Board of Trade.
- ❖ Soybean meal futures market is considerably smaller than those dedicated to other agricultural commodities.

Key Statistics:

- ❖ Average daily volume (2020) : ~118k contracts
- ❖ Year-end open interest (2020): ~ 416k contracts

Key Data:

- ❖ USDA Soybean Production Outlook

Factors That Move The Market

- Soybean prices – Soybean meal is derived from soybean.
- Alternative Oil Meals – Castor meal, rapeseed meal, linseed meal and cottonseed meal.
- Soybean export – Export figures is also an indication of inventories levels.
- Demand in China – China is biggest producers of livestock.
- Fuel prices – Soybean meal is a product of soybean crushing. Fuels are required to operate the machineries.

Contract Specifications (Source: CME Group website)

Product Symbol	ZM
Contract Multiplier	100 short tons
Minimum price Fluctuation	0.10
Value per Tick	\$ 10.00
Settlement	Physical Delivery
Trading Hours (Malaysian Time)	0600 – 0500 (Daylight Saving Time) 0700 – 0600 (Non-DST)

DO YOU KNOW?

Soybeans are...

80% MEAL



97% of U.S. soybean meal is used to feed poultry and livestock.



3% is turned into food products like protein alternatives and soymilk.

20% Oil

68% is processed into cooking oil for frying food or as an ingredient in foods like salad dressing and margarines.



25% of soybean oil is used for biodiesel and Bioheat.



Approx. **7%** of soybean oil is converted into industrial uses like cleaners, plastic and paints.



SOYBEAN OIL FACTSHEET

Soybean oil has made and impact to the food and fuel industries due to its various uses ranging from consumable to industrial products. The importance of soybean has led to the creation of futures market, allowing producers to hedge against price fluctuation and commodity traders who are looking to profit from the price of commodity.

What Is Soybean Oil ?

- ❖ Soybean oil is one of the two products extracted from crushing soybean, with the other product being soybean meal.
- ❖ Soybean oil is consumable and classified as vegetable oil due to its wide uses in cooking. Its application can also be found in painting industry where it is used as a drying
- ❖ It is a good source of healthy fats, including omega-3 fatty acids and polyunsaturated fats,

Key Features of Soybean Oil Futures Contract:

- ❖ Soybean oil futures trade at CME Groups Chicago Board of Trade.
- ❖ Soybean oil futures are popularly traded as they are very liquid commodity contracts.

Key Statistics:

- ❖ Average daily volume (2020) : ~ 130k contracts
- ❖ Year-end open interest (2020): ~ 469k contracts

Key Data:

- ❖ USDA Oil Crops Outlook

Global Benchmarks For Soybean Oil Prices

Soybean is the most important bean in the world, providing vegetable protein as food source and ingredients for chemical products.

Soybean meal is used in food and animal feeds mainly as a protein supplement and source of metabolizable energy.

Palm Oil and soybean oil compete in the cooking oil and biofuel industry.



DO YOU KNOW?

A biodegradable soy-based hydraulic fluid developed by USDA scientists is now being used to operate the elevator system in the Statue of Liberty in New York.

Contract Specifications (Source: CME Group website)

Product Symbol	ZL
Contract Multiplier	60,000 pounds
Minimum price Fluctuation	1/100 of one cent = 0.01c
Value per Tick	\$ 6.00
Settlement	Physical Delivery
Trading Hours (Malaysian Time)	0600 – 0500 (Daylight Saving Time) 0700 – 0600 (Non-DST)

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