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AGRI PICKS

A Daily Report on Agricultural Commodities

Friday, October 09, 2020

TODAY'S PICKS

BUY COTTON ON DIPS

BUY COCUDAKL ON DIPS

AGRI BUZZ

- India is likely to have little or no sugar to export over the coming years as the industry is seen diverting excess sugarcane for the production of ethanol, food secretary Sudhanshu Pandey said.
- The government has more than enough mustard seed of good quality for the 2020-21 (Jul-Jun) rabi sowing, a senior government official said, claiming a stock of 26,700 tn.
- The average export price of India's 25% broken non-basmati rice fell over 1% on month to \$362.5 per tn in September, the United Nations Food and Agriculture Organization said in a report. The price was also a tad down on year.
- The average export price of India's 25% broken non-basmati rice fell over 1% on month to \$362.5 per tn in September, the United Nations Food and Agriculture Organization said in a report. The price was also a tad down on year.
- The United Nation's Food and Agriculture Organization has scaled up its estimate for wheat output for 2020-21 by nearly 5 mln tn to 764.9 mln tn because of an expected increase in wheat production in Australia, European Union, and the Russian Federation.
- The United Nation's Food and Agriculture Organization's Food Price Index was at 97.9 points in September, up 2% on month. The index rose for the fourth straight month.
- The West Bengal government will restrict procurement of paddy at 9 tn per farmer in 2020-21 (Oct-Sep) marketing season unlike in previous years, an official with the state food department said.
- Imports of edible oil are seen at 15.3 mln tn in 2020-21 (Oct-Sep), up nearly 6% on year, said Thomas Mielke, an industry expert and chief executive officer of Germany-based edible oil research publisher Oil World. Palm oil imports are expected to rise 10.6% on year to around 8.85 mln tn in 2020-21, while those of palm kernel oil are seen at 1.40 mln tn against 1.25 mln tn, he said.
- India is likely to grow a record 10 mln tn mustard crop in 2020-21 (Jul-Jun), mainly due to the likelihood of a sharp rise in acreage, Solvent Extractors' Association of India President Atul Chaturvedi said.
- Global sugar output is seen rising 13.3% on year to 188 mln tn in 2020-21 (May-Apr), led by higher output in Brazil, India, and Thailand, said Subhendu Pobi, technical head of sugar refineries at Wilmar International in Indonesia.

| Futures | | Spot | Futures | | Spot | Futures | | Spot |
|---------------|---------------------|----------|---------------|-------------------------|------------|---------------|------------------------------------|---------|
| Contract/spot | JEERA - OCT20 | Unjha | Contract/spot | TURMERIC - OCT20 | Nizamabad | Contract/spot | CORIANDER - OCT20 | Kota |
| Rate | 13625 | 13557.9 | Rate | 5706 | 5525 | Rate | 6690 | 6658.6 |
| % chg | 0.44 | 0.08 | % chg | -0.28 | -0.39 | % chg | 0.66 | -0.51 |
| 1 week low | 13515 | 13547.35 | 1 week low | 5690 | 5520.85 | 1 week low | 6612 | 6658.6 |
| 1 week High | 13790 | 13812.5 | 1 week High | 5820 | 5555.25 | 1 week High | 6788 | 6755.45 |
| Futures | | Spot | Futures | | Spot | Futures | | Spot |
| Contract/spot | CHANA - OCT20 | Bikaner | Contract/spot | GUAR SEED10 - OCT20 | Jodhpur | Contract/spot | Guar Gum Refined | Jodhpur |
| Rate | 5540 | 5403.75 | Rate | 4112 | 4055.55 | Rate | 6204 | 6266.65 |
| % chg | 1.45 | 0.07 | % chg | 1.23 | 0.85 | % chg | 0.62 | 0.27 |
| 1 week low | 5423 | 5374.6 | 1 week low | 4032 | 4008.5 | 1 week low | 6148 | 6237.5 |
| 1 week High | 5607 | 5441.5 | 1 week High | 4137 | 4055.55 | 1 week High | 6257 | 6298.35 |
| Futures | | Spot | Futures | | Spot | Futures | | Spot |
| Contract/spot | SOYABEAN - | Indore | Contract/spot | REFINED SOYA OIL - OC- | Kandla | Contract/spot | RAPE MUSTARD SEEDS | Jaipur |
| Rate | 4002 | 3960 | Rate | 916 | 913.45 | Rate | 5376 | 5573.45 |
| % chg | 1.65 | 1.96 | % chg | 1.19 | 0.17 | % chg | -0.88 | -0.23 |
| 1 week low | 3810 | 3811 | 1 week low | 888.8 | 895.8 | 1 week low | 5372 | 5573.45 |
| 1 week High | 4029 | 3960 | 1 week High | 916.5 | 913.45 | 1 week High | 5525 | 5600 |
| Futures | | Spot | Futures | | Spot | Futures | | Spot |
| Contract/spot | CASTOR SEED - OCT20 | Deesa | Contract/spot | KAPAS - NOV20 | Rajkot | Contract/spot | COTTON SEED OIL CAKE AKOLA - DEC20 | AKOLA |
| Rate | 4130 | 4223.1 | Rate | 971.5 | 968.7 | Rate | 1868 | 1920 |
| % chg | 1.28 | 0.27 | % chg | -0.26 | 0.25 | % chg | 2.41 | 0.03 |
| 1 week low | 4044 | 4211.85 | 1 week low | 971.5 | 966.25 | 1 week low | 1812 | 1913.7 |
| 1 week High | 4248 | 4264.1 | 1 week High | 977.5 | 972.6 | 1 week High | 1868 | 1926.65 |
| Futures | | Spot | Futures | | Spot | Futures | | Spot |
| Contract/spot | RUBBER - OCT20 | Kottayam | Contract/spot | MAIZE - Feed/Industrial | Gulabghagh | Contract/spot | BARLEY - OCT20 | Jaipur |
| Rate | 13298 | 13300 | Rate | 0 | 1300 | Rate | 1305.5 | 0 |
| % chg | 0 | -0.47 | % chg | 0 | -2.26 | % chg | 0 | 0 |
| 1 week low | 13300 | 0 | 1 week low | 0 | 1300 | 1 week low | 1283 | 0 |
| 1 week High | 13350 | 0 | 1 week High | 0 | 1350 | 1 week High | 1342.5 | 0 |





SPICES COMPLEX

Market Buzz

- Jeera November futures ended up on Thursday after posting losses for the past three sessions. However, the underlying sentiments stayed feeble on tepid demand amidst rise in arrivals in the spot market. Also weighing on the sentiments is the expectation that farmers may probably start to sow jeera crop early with monsoons starting to withdraw.
- Exports of jeera were at 210,000 tn, up 16% from 180,300 tn in 2018-19 according to the Spices Board.
- According to the Spices Board, jeera production for the year 2019-20 is pegged at 540750 tonnes, down 21.8 per cent on yoy basis.
- According to the Spices Board, exports rose 27 per cent during Apr-Dec 2019 to 167000 compared to same period last year.
- Coriander NCDEX November futures ended marginally up on Thursday as arrivals in the market dipped and on improvement in demand.
- Coriander exports from India were up 3% on year at 50,250 tn in the last financial year according to the Spices Board.
- Spices Board has forecast coriander production at 755,740 tn, up 25.9% on year due to a sharp rise in acreage.
- According to Spices Board of India data, coriander exports were at 36750 tonnes during Apr-Dec 2019, up by one per cent compared to same period last year.
- Turmeric NCDEX November futures traded in a narrow ranges and ended Thursday's session almost flat.
- NCDEX has modified the specifications of futures contracts of turmeric expiring in the month of April and thereafter, with effect from Oct 26, 2020, the bourse said in a circular. As per the modified specification, farmer polished finger variety of turmeric of Nizamabad will be acceptable at delivery centres in Sangli, Maharashtra, and will attract a discount and premium of 4% depending on the delivery location, as per the circular.
- Concerned over the fall in area under turmeric, the Parliamentary Standing Committee on Commerce has recommended the government to take immediate measures like implementing minimum support price to encourage farmers.
- India exported 136,000 tn of turmeric in 2019-20, up 2% on year according to the Spices Board.
- According to the Spices Board, exports of small cardamom fell 27% on year in terms of volume but rose 20% in value terms.
- Spices Board pegs '19-20 small cardamom crop at 11,230 tn, dn 13.2%



TECHNICAL VIEW

| | | |
|--------------------------------------|---|---|
| <p>JEERA NCDEX NOV</p> | <p>Pullbacks to 13750-13800 ranges may not be ruled out. However, a voluminous rise above 13900 is necessary to lessen the prevailing weakness. As long as this range caps, may trade sideways to weak.</p> |  |
| <p>DHANIYA NCDEX NOV</p> | <p>A rise above 6900 for sentiments to improve. As long as this range caps, may trade sideways to weak.</p> |  |
| <p>TURMERIC NCDEX NOV</p> | <p>May trade sideways to weak as long as the resistance at 5930 is breached convincingly upside. A direct fall below 5700 may intensify weakness.</p> |  |
| <p>CARDAMOM MCX NOV</p> | <p>Choppy moves expected.</p> |  |






OILSEED COMPLEX

Market Buzz

- Except Mustard seed, all commodities in the edible oil complex rose yesterday. MCX Oct CPO prices traded higher tracking gains in BMD Malaysian palm oil prices as concerns over tight supply and fall in production due to labour shortage in Malaysia along with firm export demand. Nov Soy oil futures recovered and traded higher on expectation of firm domestic demand for edible oils ahead of festival seasons during upcoming days.
- NCDEX Nov Soybean prices traded higher as rise in domestic demand ahead of festivals though fresh crops arriving in the spot market. While, Nov Mustard seed futures prices fell on profit booking as traders refrain to buy at higher price levels.
- Soybean production is estimated 21.4% higher on year to 13.6 mln tn, according to the farm ministry data. While, sky met predicated soybean output is to be 8.8% higher on year at 12.2 mln tn in 2020-21.
- The Food Safety and Standards Authority of India's decision to prohibit the blending of other vegetable oils with mustard oil from Oct 1 may have also supported mustard contracts.
- The area under major kharif crops so far in 2020-21 (Jul-Jun) was at 111.7 mln ha, up nearly 5% from a year ago, farm ministry data showed. The area under soybean across the country rose 6.4% on year to 12.12 mln ha as of 24th Sep, according to data from the farm ministry. The Union Cabinet approved a hike in minimum support price for 14 major kharif crops. MSP for soybean hiked by Rs.170 to 3880 from 3710 per 100 kg.
- Crushing of mustard seeds by mills in the country surged 39% on year to 800,000 tn in August, data from the Mustard Oil Producers Association of India.
- Soybean output is estimated at 12.2 mln tn in 2019-20, according to the farm ministry's fourth advance estimate.
- India's oilmeal exports plunged nearly 25% on year to 171,515 tn in August due to weak demand from major buyers, according to data released by the Solvent Extractors' Association of India. Overall export of oilmeals during Apr-Aug plunged 12% on year to 1.0 mln tn. However, export of mustard meal performed during the last five months of financial year 2020-21 and reported at 487,060 tn up by 6% as against last year during the same period at 460,212 tn. Mustard meal exports rose due to higher processing of mustard cake and better availability of mustard meal. Soymeal exports fell 39% on year to 58,190 tn in August and during Apr-Aug, it slipped 24% on year to 249,339 tn, according to SEA. During Apr-Aug, South Korea imported 313,735 tn of oilmeals against 443,385 tn in the year-ago period. Vietnam imported 162,993 tn of oilmeals against 158,490 tn. Thailand imported 80,622 tn of oilmeals compared with 122,462 tn bought in same period last year.
- India's soymeal exports plunged 41% on year to 45,000 tn in August, according to data from The Soybean Processors' Association of India.
- India's edible oil imports fell by 12.5% on year to over 1.4 mln tn in Aug, according to SEA. For Nov-Aug, edible oil imports were at 11.2 mln tn, lower than 12.9 mln tn during the year-ago period. The imports of crude palm oil and crude palm kernel oil rose 23% on year in Aug to 724,351 tn. Imports of soyoil were down by 11.6% to 394,735 tn in Aug. As on Sep 1, 751,000 tn edible oil were at ports and 980,000 tn in the pipeline.
- The US Department of Agriculture has scaled down its estimate for global oilseed production in 2020-21 to 609.2 mln tn, from 610.4 mln tn projected the previous month. The agency, in its report for September, has also reduced its estimate for global ending stocks for the year to 106.98 mln tn, as against 108.28 mln tn projected a month ago. On the other hand, consumption of oilseeds in the world is seen slightly higher at 515.06 mln tn from 514.96 mln tn estimated in August. The agency has reduced its estimate for world soybean output to 369.7 mln tn, from 370.4 mln tn pegged a month ago. Production of the oilseed in Brazil, the largest grower, has been raised by 2 mln tn to 133 mln tn, mainly due to an increase in acreage following robust prices and competitive exchange rates ahead of planting. In the US, soybean output has been scaled down to 117.4 mln tn from 120.4 mln tn projected in August. Global ending stocks of soybean have been reduced by 1.8 mln tn to 93.6 mln tn as lower stocks in the US are partly offset by higher foreign stocks, particularly in Argentina and Brazil.
- India's oilseed imports nearly doubled to 520,871 tn in 2019-20 (Apr-Mar), according to data from The Solvent Extractors' Association of India. During 2019-20, India imported 520,871 tn of oilseeds compared to 258,742 tn a year ago. Major oilseeds imports include soybean, sesame seed and cottonseed.
- Mustard crop for 2019-20 (Jul-Jun) is pegged at 9.1 mln tn as against 8.7 mln tn produced a year ago, farm ministry data.
- Farmers in India have sown castor seed across 774,300 ha, down 15% from a year ago, farm ministry data showed. A year ago, castor seed acreage was at 910,000 ha. According to Government final estimate, castor production in 2019-20 is lower by 15,000 tonnes compared to 2 million tones a year ago.
- India's castor oil exports rose 26.4% on year to 65,682 tn in July, according to Solvent Extractors' Association of India data. Exports were 51,962 tn in the year-ago period. For Apr-Jul, exports of the commodity were at 195,478 tn compared with 198,440 tn during the year-ago period. In 2019-20 (Apr-Mar), India's castor oil exports slipped to 539,962 tn from 571,985 tn in 2018-19, the association said.
- India's India July castor meal exports fell by 41% at 22,786 tn compared from 38,437 tn a yr ago. Overall exports also fell by 62% during Apr-July to 85,607 tones.
- Malaysia's crude palm oil output rises 3.1% on month to 1.86 mln tn in August, data from Malaysian Palm Oil Board showed. Total palm oil stocks were a tad down at 1.69 mln tn. Malaysia's palm oil exports in August fell by 11.3% on month to 1.58 mln tn, and biodiesel exports were down 36.7% on month at 24,675 tn, data showed.
- Malaysia's palm oil exports in September are seen 10.5% higher on month at 1.63 mln tn, according to cargo surveyor AmSpec Agri Malaysia.
- The US Department of Agriculture (USDA) has lowered its crude palm oil (CPO) output projections for Malaysia in the October 2020 to September 2021 marketing year by 1mn t from its previous forecast in June to 19.7mn t.



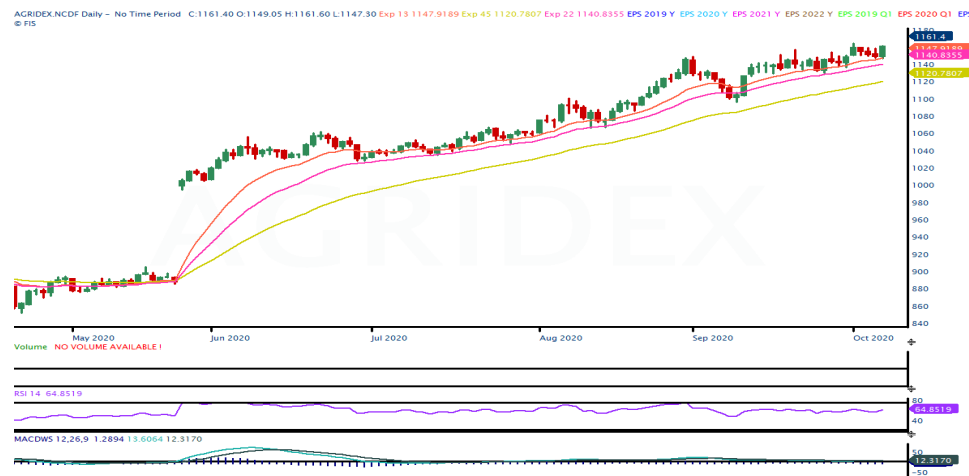
TECHNICAL VIEW

| | | |
|-------------------------------------|---|---|
| <p>SOYBEAN NCDEX NOV</p> | <p>Sustain to trade above 3975 could see upside moves targeting 4020/4050 levels.</p> |  |
| <p>REF SOY OIL NCDEX NOV</p> | <p>Bulls are under the control and sustain above 915 levels could see momentum to continue towards 925/935 levels.</p> |  |
| <p>RMSEED NCDEX NOV</p> | <p>Unable to move above 5510 could see a lower correction towards 5400/5380 levels.</p> |  |
| <p>CASTOR NCDEX NOV</p> | <p>Expect sideways to weak trading session is more expected for the day.</p> |  |
| <p>CPO MCX OCT</p> | <p>Upside moves are more likely as it breached the upside hurdle of 770 levels and sustain above the same could see more rallies to 780/784 levels.</p> |  |

COTTON COMPLEX

Market Buzz

- MCX Clearing Corp, a subsidiary of MCX, has cancelled the accreditation of Origo Commodities India in Buldana, Maharashtra, for storing and delivering cotton bales, according to a circular from the exchange.
- Multi Commodity Exchange Clearing Corp, the clearing arm of the Multi Commodity Exchange of India, has issued a guideline for members and participants who desire to deposit cotton bales at accredited warehouses for delivery. It has been made mandatory for depositors to give prior intimation about the deposit request for warehousing arrangements such as storage and sampling. Loading and unloading of goods will also be undertaken on a first-come-first-serve basis. Deposit and withdrawal of stocks shall be accepted preferably in working hours. Members to confirm the availability of space at the respective warehouse before initiating any steps to deposit goods. They should also submit details such as pressing date, name and place of ginning and pressing, and ginner name at the time of deposit before bringing goods to the warehouse. The depositor is advised to bring trucks or lorries with 25 bales (1 bale = 170 kg). The cotton bales need to be well compressed, properly packed, and labelled.
- The International Cotton Advisory Committee, its October report, has scaled down its global output estimate for 2020-21 (Aug-Jul) to 24.6 mln tn from 25.1 mln tn projected in the previous month. The fall in output estimate is largely attributed to a smaller crop from almost all major producers except India. Production in India is expected to increase to 6.2 mln tn due to higher acreage. China is likely to produce 5.9 mln tn, while production in the US is expected to fall to 3.7 mln tn with losses from recent hurricanes in the Gulf Coast region. The committee has maintained its estimate for global consumption in 2020-21 at 24.3 mln tn due to improvement in business activities. Ending stock is estimated at 21.9 mln tn against 22.7 mln tn, projected a month ago. The committee has also revised downwards its estimate for global cotton exports for the ongoing season to 9.2 mln tn from 9.3 mln tn, projected in the previous month.
- The UK-based Cotton Outlook has scaled down its estimate for global output of the fibre in 2020-21 (Aug-Jul) to 24.5 mln tn from 24.6 mln tn projected last month, in its September report. Global cotton consumption in 2020-21 is estimated at 23.4 mln tn, against 23.5 mln tn projected in the previous month. Ending stocks of the fibre for 2020-21 are seen at 1.09 mln tn, as against 1.08 mln tn projected last month. The fall in output estimate is largely due to fall in production in the US.
- The area under major kharif crops so far in 2020-21 (Jul-Jun) was at 111.7 mln ha, up nearly 5% from a year ago, farm ministry data showed. Farmers have sown cotton across 13.04 mln ha in the 2020-21 (Jul-Jun) season, up by 2.1% from a year ago, as of 25th Sept., farm ministry.
- India's cotton output in the 2020-21 (Oct-Sep) marketing year is seen at 38.0 mln bales (1 bale = 170 kg), up 4% on year, according to traders. Govt pegs 2020-21 cotton crop at 37.1 mln bales vs 35.5 mln bales.
- The US Department of Agriculture's Foreign Agricultural Service has scaled up its estimate for India's cotton crop in 2020-21 (Aug-Jul) to 29.4 mln bales (1 US bale = 218 kg) from 28.9 mln bales projected earlier. Cotton acreage is seen at 13.0 mln ha in 2020-21, compared with the 12.9 mln ha it had estimated earlier. In 2019-20, acreage under the fibre was at 13.3 mln ha, the agency said in its September report. It has scaled down its estimate for India's cotton consumption for 2020-21 to 22.5 mln bales, as against 23.0 mln bales projected in August, as mills have not fully resumed operations. Trade sources indicate that mills are currently operating at 75-80% capacity, which is likely to improve over the next two months. Exports are projected at 4.3 mln bales in the current season, while imports are expected at 1.0 mln bales. A bigger crop and massive exportable quantities may continue to keep cotton prices suppressed, which will benefit India's exports, the agency said. In 2020-21, the closing stocks of cotton are estimated at 21.3 mln bales, compared with 20.6 mln bales projected a month ago.
- The USDA has scaled down its global cotton output estimate for 2020-21 (Aug-Jul) to 117.2 mln bales from 117.5 mln bales projected in August. Production is higher in China, India, and Australia, but lower in the US, Pakistan, and Turkey. Global cotton consumption is seen at 112.7 mln bales, as against the 113.1 mln bales projected in the previous month. Global exports for 2020-21 are now seen slightly higher at 41.7 mln bales, compared with 41.6 mln bales estimated a month ago. Ending stocks are seen at 103.8 mln bales, as against 104.9 mln bales. World trade is slightly higher, with increases for Australia, Brazil, and India offsetting lower US exports. The agency has reduced its estimate for cotton output in the US to 17.06 mln bales from 18.08 mln bales projected last month, due to lower projections for every region.
- Cotton production in Gujarat is likely to fall by 6% to 8.2 mln bales in 2020-21 (Jul-Jun) due to a sharp fall in acreage, according to the first advance estimates released by the state's farm department. Cotton acreage in Gujarat is down at 2.28 mln ha in the current season compared with 2.65 mln ha last year. The fall in sowing area is mainly due to the shift to other lucrative crops like groundnut.
- Govt cuts 2019-20 cotton output view to 35.5 mln bales vs 36.0 mln.
- The Cotton Association of India has raised its estimates for exports for 2019-20 (Oct-Sep) to 5.0 mln bales (1 bale = 170 kg), from 4.7 mln bales projected in the previous month. Around 4.3 mln bales are estimated to have been shipped by end of July and shipment of further 700,000 bales is estimated to take place during August and September. The association has also revised upward its output estimate to 35.5 mln bales, against 33.6 mln bales estimated a month ago. Carryover stocks in the country for 2019-20 season are seen at 10.3 mln bales, higher from 5.6 mln bales projected in the previous month. Estimates for imports are seen at 1.6 mln bales, against 1.5 mln bales in the previous month. Domestic consumption is expected to be 25.0 mln bales, lower from 28.0 mln bales projected in the previous month.
- India's cotton exports are expected to touch 6.0 mln bales (1 bale = 170 kg) in the current marketing year 2019-20 (Oct-Sep) due to strong demand and lower domestic prices, which have made foreign sales economically viable, trade officials said.
- The government has raised the support price of medium staple cotton by 260 rupees per 100 kg to 5,515 rupees, and that of long staple by 275 rupees to 5,825 rupees.



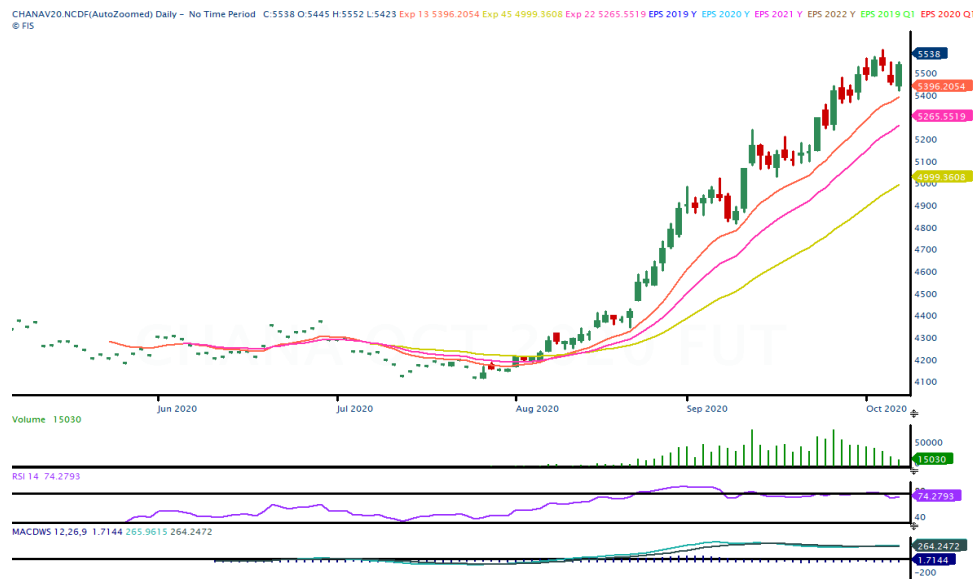
TECHNICAL VIEW

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|-------------------------------|--|--|
| AGRIDEX NCDEX | As long as prices stays above 1145 could see pull-backs targeting 1165/1170 levels. | |
| KAPAS NCDEX APR21 | Prices broke the resistance of 1047 levels yesterday sustain above the same could see more upside moves targeting 1060/1070 levels. | |
| COTTON MCX OCT | As long as prices sustain to trade above 18400 could see more upside moves targeting 18600/18700 levels. | |
| COCUDAKL NCDEX DEC | Bullish moves are more likely as it broke the hurdle of 1038 levels and successful trade above the same could see upside moves targeting 1890/1910 levels. | |

OTHERS

Market Buzz

- Following an initial fall, Chana November futures on NCDEX rose to post gains of about 1.5 per cent on robust demand.
- The government raised chana MSP by Rs.225 to Rs.5100/100kg.
- Govt. sets chana 2020-21 crop at 11.0 million tonnes from 11.4 million tonnes in 2019-20.
- The government's scheme to offer free pulses during lockdown to migrant workers and public distribution system beneficiaries helped the National Agricultural Cooperative Marketing Federation of India clear 1.5 mln tn carryover chana from 2018-19 (Jul-Jun) stock, the agency's Additional Managing Director S.K. Singh said.
- The Madhya Pradesh government has wrapped up procurement of mustard, chana and masur harvested in 2019-20 (Jul-Jun), an official with state government said. The state-run and Centre's nodal agencies collectively procured 706,314 tn chana from 263,000 farmers in Madhya Pradesh in 2020-21 rabi marketing season starting April. Of the total purchased pulses, 704,922 tn was accepted while the rest rejected, the official said.
- The National Agricultural Cooperative Marketing Federation of India wrapped up chana procurement for 2020-21 (Apr-Mar) rabi marketing season by Jul 31, an official with the agency said. It procured 2.14 mln tn chana this year. Over 706,313 tn chana was procured from farmers in Madhya Pradesh, 128,000 tn in Andhra Pradesh, 102,000 tn in Karnataka, 615,666 tn in Rajasthan, 370,718 tn in Maharashtra, 123,766 tn in Gujarat, 48,000 tn in Telangana, 38,498 tn in Uttar Pradesh, and rest in Haryana, the official said.
- Both guarseed and guar gum November futures on NCDEX ended on a positive note on Thursday with the former gaining more than one per cent.
- Export of guar gum have rose in the month of Jul-20 by 14.15 percent compared to previous month. India exported around 16389 tonnes of guar gum at an average FoB of \$ 1503 per tonne in the month of Jul-20 compared to 14358 tonnes in Jun-20 at an average FoB of \$ 1742 per tonne. Exports are expected to increase in Aug-20 on improving crude and gradual increase in oilrigs overseas.
- Export of guar split have fell in the month of Jul-20. Exports in the month of Jul-20 are down by around 51.79% compared to previous month. India exported around 1080 tonnes of guar split in the month of Jul-20 at an average FoB of \$ 1050 per tonne compared to 2240 tonnes in Jun20 at an average FoB of \$ 916 per tonne.
- The International Tripartite Rubber Council (ITRC), which groups Thailand, Indonesia and Malaysia, said it expected production decrease in natural rubber for rest of 2020, further decline into early 2021. ITRC said natural rubber production among Thailand, Indonesia, Malaysia expected to be down by at least 859,000 tonnes in 2020, from total production of 8.79 million tonnes in 2019.



TECHNICAL VIEW

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|--------------------------------------|---|--|
| <p>CHANA NCDEX NOV</p> | <p>Bounce back seen after taking support near 5490 rag-es may stretch towards 5640/5680 or even more on sustained trades above 5610. However, a voluminous rise above 5680 is necessary for continuation for buying momentum.</p> | |
| <p>GUARSEED NCDEX NOV</p> | <p>Dips to 4090-4060 ranges may not be ruled out before resuming rising. A direct rise above 4140 may call for 4170 or even more to 4200. Alternatively, fall past 4040 may lessen the prevailing positive bias.</p> | |
| <p>GUARGUM NCDEX NOV</p> | <p>A voluminous rise above 6350 is necessary for buying to emerge. Inability to clear the same may call for choppy moves inside 6350-6200.</p> | |
| <p>RUBBER ICEX NOV</p> | <p>As long as resistance of 13800 caps, may trade side-ways with a negative bias.</p> | |

TECHNICAL LEVELS

| Commodity | Contract | Open* | High* | Low* | Close* | S3 | S2 | S1 | Pivot | R1 | R2 | R3 |
|----------------------------|-------------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| SPICES | | | | | | | | | | | | |
| Jeera | NovNCDEX | 13660 | 13725 | 13610 | 13705 | 13520 | 13565 | 13635 | 13680 | 13750 | 13795 | 13865 |
| Turmeric | NovNCDEX | 5818 | 5826 | 5782 | 5800 | 5735 | 5759 | 5779 | 5803 | 5823 | 5847 | 5867 |
| Cardamom | NovMCX | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 | 1500 |
| Dhaniya | NovNCDEX | 6720 | 6780 | 6702 | 6754 | 6633 | 6667 | 6711 | 6745 | 6789 | 6823 | 6867 |
| Menthaoil | OctMCX | 950.0 | 951.9 | 944.7 | 948.3 | 938 | 941 | 945 | 948 | 952 | 956 | 959 |
| PULSES | | | | | | | | | | | | |
| Chana | NovNCDEX | 5502 | 5618 | 5487 | 5597 | 5386 | 5436 | 5517 | 5567 | 5648 | 5698 | 5779 |
| Guarseed | NovNCDEX | 4052 | 4135 | 4052 | 4125 | 3990 | 4021 | 4073 | 4104 | 4156 | 4187 | 4239 |
| Guargum | NovNCDEX | 6230 | 6309 | 6227 | 6293 | 6162 | 6194 | 6244 | 6276 | 6326 | 6358 | 6408 |
| OIL & OIL SEEDS | | | | | | | | | | | | |
| Soybean | NovNCDEX | 3954 | 4040 | 3951 | 4009 | 3871 | 3911 | 3960 | 4000 | 4049 | 4089 | 4138 |
| RM seed | NovNCDEX | 5445 | 5470 | 5411 | 5429 | 5344 | 5378 | 5403 | 5437 | 5462 | 5496 | 5521 |
| CPO | OctMCX | 762.7 | 777.3 | 762.7 | 774.8 | 751 | 757 | 766 | 772 | 781 | 786 | 795 |
| Soyoil | NovNCDEX | 907.0 | 921.0 | 907.0 | 919.7 | 897 | 907 | 911 | 916 | 925 | 925 | 939 |
| Castor seed | NovNCDEX | 4142 | 4228 | 4142 | 4196 | 4063 | 4103 | 4149 | 4189 | 4235 | 4275 | 4321 |
| CEREALS | | | | | | | | | | | | |
| Wheat | NovNCDEX | 1743 | 1743 | 1743 | 1743 | 1743 | 1743 | 1743 | 1743 | 1743 | 1743 | 1743 |
| Barley | NovNCDEX | 1329 | 1329 | 1329 | 1329 | 1329 | 1329 | 1329 | 1329 | 1329 | 1329 | 1329 |
| OTHERS | | | | | | | | | | | | |
| Cocud^ | DecNCDEX | 1827 | 1868 | 1826 | 1865 | 1796 | 1811 | 1838 | 1853 | 1880 | 1895 | 1922 |
| Kapas | Apr21 NCDEX | 1044.5 | 1059.5 | 1042.5 | 1057.0 | 1030 | 1036 | 1047 | 1053 | 1064 | 1070 | 1081 |
| Cotton | OctMCX | 18370 | 18520 | 18370 | 18480 | 18243 | 18307 | 18393 | 18457 | 18543 | 18607 | 18693 |
| Rubber | NovICEX | 13430 | 13430 | 13430 | 13430 | 13430 | 13430 | 13430 | 13430 | 13430 | 13430 | 13430 |

Pivot Point: A predictive indicator of the market which is calculated as an average of significant prices from the performance of a market in the prior trading period.
 An open above the pivot point is generally considered bullish and vice versa.
 S1, S2 & S3 are supports and R1, R2, and R3 are resistances from where a turnaround can be anticipated.
 *Open, High, Low and Close prices of previous trading day / ^ Cottonseed Oil Cake



Strong bias or bullish



Choppy or Sideways



Weak bias or bearish



Mild bullish bias



Mild bearish bias

TRADING SIGNALS

| Commodities | Intraday | Overall | Volatility | | Short term | | Medium term | | Long term | |
|-----------------------|-------------|-----------------|------------|------------|------------|-----------|-------------|------------|------------|------------|
| | View | View | 1 day | Annualised | 3 day EMA | 5 day EMA | 13 day EMA | 22 day EMA | 45 day EMA | 60 day EMA |
| Pepper Nov ICEX | FLAT/CHOPPY | POSITIVE | #N/A | #N/A | FLAT | FLAT | POSITIVE | #N/A | #N/A | #N/A |
| Jeera Oct NCDEX | FLAT/CHOPPY | NEGATIVE | 0.62% | 9.8% | POSITIVE | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE |
| Turmeric Oct NCDEX | NEGATIVE | HIGHLY NEGATIVE | 1.05% | 16.7% | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE |
| Cardamom Nov MCX | FLAT/CHOPPY | NEGATIVE | 1.14% | 18.1% | FLAT | FLAT | NEGATIVE | NEGATIVE | NEGATIVE | POSITIVE |
| Dhaniya Oct NCDEX | FLAT/CHOPPY | FLAT/CHOPPY | 0.97% | 15.3% | POSITIVE | NEGATIVE | POSITIVE | POSITIVE | NEGATIVE | NEGATIVE |
| Chana Oct NCDEX | POSITIVE | HIGHLY POSITIVE | 1.36% | 21.7% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Guarseed10 Oct NCDEX | POSITIVE | HIGHLY POSITIVE | 1.17% | 18.6% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Guargum Oct NCDEX | POSITIVE | POSITIVE | 1.48% | 23.4% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | NEGATIVE | NEGATIVE |
| Soybean Oct NCDEX | POSITIVE | HIGHLY POSITIVE | 1.53% | 24.3% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Ref. Soyoil Oct NCDEX | POSITIVE | HIGHLY POSITIVE | 1.14% | 18.0% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| RMseed Oct NCDEX | NEGATIVE | NEGATIVE | 0.98% | 15.6% | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE | POSITIVE | POSITIVE |
| CPO Oct MCX | POSITIVE | HIGHLY POSITIVE | 1.42% | 22.5% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Castor Oct NCDEX | POSITIVE | POSITIVE | 0.80% | 12.6% | POSITIVE | POSITIVE | NEGATIVE | NEGATIVE | POSITIVE | POSITIVE |
| Kapas21 Apr NCDEX | POSITIVE | HIGHLY POSITIVE | 0.50% | 8.0% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Cotton Oct MCX | POSITIVE | HIGHLY POSITIVE | 0.52% | 8.2% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Cocudakl Dec NCDEX | POSITIVE | HIGHLY POSITIVE | 1.30% | 20.6% | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE | POSITIVE |
| Wheat Oct NCDEX | POSITIVE | POSITIVE | 0.45% | 7.1% | POSITIVE | POSITIVE | POSITIVE | NEGATIVE | NEGATIVE | POSITIVE |
| Barley Oct NCDEX | NEGATIVE | NEGATIVE | 0.83% | 13.2% | FLAT | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE | NEGATIVE |
| Menthaoil Oct MCX | FLAT/CHOPPY | NEGATIVE | 0.88% | 14.0% | NEGATIVE | POSITIVE | POSITIVE | NEGATIVE | NEGATIVE | NEGATIVE |
| Rubber Nov ICEX | FLAT/CHOPPY | FLAT/CHOPPY | 0.61% | 9.8% | FLAT | FLAT | NEGATIVE | NEGATIVE | POSITIVE | POSITIVE |

Trading signals is prepared based on statistical analysis and is purely on technical indicators like exponential moving averages (EMAs), Relative strength Index (RSI) and stochastic, putting altogether provides an idea about intraday, short, medium and long term trend of the commodities. It also signals the risk of an investment in both agricultural and global commodities as well. Based on all listed indicators above, investors were able to fix a daily, near-term and long term trends. However, must be cautious especially for real-time intraday traders/jobbers.

Trading Strategy based on EMA

Trading strategies mentioned in the report is mainly based on 3, 5, 13, 22, 45 & 60 days exponential Moving Averages. 3 and 5 day EMA has taken for developing Intraday trading strategy, 13 days and 22 days EMA for Short term and Medium term, while 45,60 days EMA for Long term. Here, we use EMAs for POSITIVE and NEGATIVE signals. POSITIVE signal is formed when a short-term moving average (eg: 30 day) crosses from below a longer-term average (eg: 60 day), which is considered bullish. Likewise, NEGATIVE signal is formed when a short-term moving average (eg: 30 day) crosses from above a longer-term moving average (eg: 60 day), which is considered bearish.

Intraday and Overall view The section is consist of both Intraday and Overall view. The Intraday view is calculated by netting out of POSITIVES/NEGATIVES/FLAT signals formed in the short term trend. On the another part, Overall view is calculated by netting out number of POSITIVES/NEGATIVES/FLAT signals formed in the short, Medium and long term trend.

Volatility is a measure for dispersion of price of a financial instrument over a period of time by using Standard deviation and annualised actual volatility. Standard deviation is used to to calculate one day volatility. Whereas, Annualized Actual Volatility (AAV) is measured as annualized standard deviation of the continuously compounded daily returns of the asset. Generally the thumb rule is that, higher the volatility higher the risk of the asset. See the table below the range risk ratings.

| Annualised Volatility > | Risk % | Ratings | Risk % | Ratings | Risk % | Ratings | Risk % | Ratings | Risk % | Ratings |
|-------------------------|--------|----------------|-----------|-----------|-----------|---------------|-----------|----------|----------|---------------|
| > 35% | > 35% | Very High risk | 27 to 34% | High risk | 20 to 26% | Moderate risk | 11 to 19% | Low risk | 1 to 10% | Very Low risk |

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