



AGRI PICKS

A Daily Report on Agricultural Commodities

Friday, January 28, 2022

TODAY'S PICKS

Buy Cocudakl Feb NCDEX at 3280 TGT 3291/3340 SL 3240

The views/strategies expressed in this today's picks are Pre- Market Open views/strategies i.e., BUY/SELL posted in the today's Picks are purely based on technical analysis and recommended for intraday trading. Fundamental factors, sudden currency volatility and other data/news events that have a bearing on price movements were not considered while preparing this report.

AGRI BUZZ

- Prices of natural rubber in India have been on a fall after hitting an eight-year high in November and are likely to remain weak for the next few weeks due to bearish fundamentals.
- Mills in the country are likely to produce 31.9 mln tn of sugar in 2021-22 (Oct-Sep), 2.9% higher than the previous season, the crop committee of the All India Sugar Trade Association said in a release.
- States should use new seed varieties to improve production of summer crops, Farm Minister Narendra Singh Tomar said. "The minister assured full support to ensure supply of critical inputs and facilitate adoption of innovative technologies with a view to enhance production and productivity of the crops," an official release said.

Futures		Spot
Contract/spot	JEERA - MAR22	Unjha
Rate	19410	19129.4
% chg	0.75	4.65
1 week low	18430	18140.9
1 week High	19950	19129.4
Futures		Spot
Contract/spot	CHANA	Bikaner
Rate	4943	4905.65
% chg	-0.16	-0.47
1 week low	4943	4900
1 week High	4951	4934.6
Futures		Spot
Contract/spot	SOYABEAN - FEB22	Indore
Rate	6390	6464
% chg	0.16	-0.11
1 week low	6300	6464
1 week High	6390	6519
Futures		Spot
Contract/spot	CASTOR SEED - FEB22	Deesa
Rate	6470	6579.15
% chg	0.81	1.35
1 week low	6262	6465.55
1 week High	6518	6579.15
Futures		Spot
Contract/spot	RUBBER - FEB22	Kottayam
Rate	16322	16213
% chg	-0.99	1.17
1 week low	16025	Exchange
1 week High	16213	Exchange

Futures		Spot
Contract/spot	TURMERIC	Nizamabad
Rate		9426.15
% chg		0.56
1 week low		9359.5
1 week High		9426.15
Futures		Spot
Contract/spot	GUAR SEED10 - FEB22	Jodhpur
Rate	6423	6385
% chg	0.8	2.16
1 week low	6161	6197.5
1 week High	6452	6385
Futures		Spot
Contract/spot	REFINED SOYA OIL - FEB22	Kandla
Rate	1263.5	1245.95
% chg	0.84	1.58
1 week low	1245	1225
1 week High	1264	1245.95
Futures		Spot
Contract/spot	KAPAS - FEB22	Rajkot
Rate	2021	1870.7
% chg	2.04	0.6
1 week low	1980.5	1858
1 week High	2029.5	1880.55
Futures		Spot
Contract/spot	MAIZE - Feed/Industrial Grade	Gulabbagh
Rate		2025
% chg		0
1 week low		1978.45
1 week High		2025

Futures		Spot
Contract/spot	CORIANDER - APR22	Kota
Rate	10246	9677.25
% chg	0.63	0.28
1 week low	9974	9650
1 week High	10398	9756.25
Futures		Spot
Contract/spot	Guar Gum Refined Splits - FEB22	Jodhpur
Rate	12080	12100
% chg	1.77	2.98
1 week low	11480	11600
1 week High	12185	12100
Futures		Spot
Contract/spot	RAPE MUSTARD SEEDS - FEB22	Jaipur
Rate	6701	7855
% chg	-3	-3.22
1 week low	6701	7855
1 week High	6908	8225
Futures		Spot
Contract/spot	COTTON SEED OIL CAKE AKOLA - FEB22	AKOLA
Rate	3262	3332.65
% chg	0.03	1.28
1 week low	3082	3221.25
1 week High	3303	3332.65
Futures		Spot
Contract/spot	BARLEY - APR22	Jaipur
Rate	1990	Symbol not found
% chg	0	Symbol not found
1 week low	1990	Symbol not found
1 week High	1990	Symbol not found

SPICES COMPLEX

Market Buzz

- Spices complex posted gains on Thursday on NCDEX. Jeera March futures climbed to its highest level in more than three year on rise in demand amidst forecast of lower production in the ongoing 2021-22 rabi season. Coriander futures too hit multi-year highs on forecast of lower output this season. Rise in export demand bolstered turmeric April futures.
- According to the second advance estimates by Gujarat state agriculture department, jeera production is seen declining to 236980 tons in 2021-22, down 41 per cent year on year. Area is seen at 289000 ha as against 473800 ha a year ago. Coriander production is seen declining as well to 211680 tons compared to 221240 tons in 2020-21.
- Exports of spices from India during Apr-Sep declined 8% on year to 780,273 tn, according to data from the Spices Board India.
- Spices Board pegs Apr-Sep jeera exports at 139,295 ton, down 14%.
- Spices Board pegs Apr-Sep turmeric exports at 77,245 ton, down 26%.
- Spices Board pegs Apr-Sep pepper exports at 10,844 ton, up 24%.
- Spices Board pegs Apr-Sep small cardamom exports 4,240 ton, up 101%.
- Spices Board pegs Apr-Sep coriander exports at 24,459 ton, down 13%
- India exported 299,000 tn of jeera in 2020-21, up 40% on year according to the Spices Board.
- According to Spices Board, Coriander exports from India were up 21% on year at 57,000 ton.
- Government sees 2020-21 coriander output at 720000 tons compared to 701000 tons a year ago.
- Spices Board sees exports of turmeric up 33% to 183000 tonnes in FY 2020-21 on yoy basis.
- Government sees 2020-21 turmeric output at 1.11 million tonnes compared to 1.15 million tons a year ago.
- Spices Board pegs FY21 small cardamom export 6,500 ton, up 251% on year.
- Output of small cardamom is seen rising by 100% on year to 22520 tons according to the Spices Board.



TECHNICAL VIEW

JEERA NCDEX MAR	While there prevails positive bias, profit booking may be seen towards 19160/19040-18930 ranges. However, a direct rise above 19850 may call for 19960 and more.	
DHANIYA NCDEX APR	A voluminous rise above 10400 is requires for more upsides. As long as this range caps, may trade sideways with support seen at 10150/10050.	
TURMERIC NCDEX APR	May trade sideways with possibility of downside correction towards 10150/10030 unless 10540 is breached convincingly upside.	

COTTON COMPLEX

Market Buzz

- Cotton yarn exports from India may hit record high levels in 2021-22 (Apr-Mar), rating agency ICRA said in a report. Cotton yarn exports in the first half of the current fiscal increased 47% on year. In the first nine months of the current fiscal, cotton yarn prices increased 36% on year, while cotton prices were up by 42%. Recovery in domestic demand and robust growth in overseas demand has supported volumes. An improvement in capacity utilisation and greater financial flexibility have resulted in a rise in capital expenditure in the cotton spinning segment over the past months. "Besides competitive Indian cotton and cotton yarn prices in the international markets, concerns raised by large buying regions, including the US and the European Union, on Xinjiang cotton and healthy growth in Bangladesh's apparel exports are driving export demand," Nidhi Marwaha, vice president - corporate sector ratings, ICRA said in the report.
- The Cotton Association of India has scaled down its production estimate for the 2021-22 (Oct-Sep) marketing season to 34.8 mln bales (1 bale = 170 kg), from 36.0 mln bales projected a month ago. The reduction in estimate is attributed to some crop loss because of excess rain in November, in the key producing states which impacted crop quality. Of the total crop, around 14.0 mln bales had arrived in markets across India till December. Exports in the ongoing marketing year has been maintained at 4.8 mln bales. India shipped around 1.9 mln bales of cotton till December. The association has revised upward its estimate for domestic cotton consumption and imports at 34.5 mln bales and 1.5 mln bales, respectively. Ending stock for the 2021-22 season has been estimated at 4.5 mln bales, as against 6.2 mln bales projected a month ago.
- The US Department of Agriculture has scaled down its estimate for 2021-22 (Aug-Jul) cotton production in India to 27.5 mln bales (1 US bale = 218 kg), from 28.0 mln bales projected a month ago. The reduction in estimate is attributed to some crop loss because of excess rains during November. Lower yields in Punjab and Haryana due to pink bollworm infestation and untimely rains in the key producing states has impacted the quality of the crop. The agency has slightly increased its estimate for India's domestic consumption at 26.0 mln bales, as against 25.8 mln bales a month ago. Exports have been maintained at 5.8 mln bales. Ending stocks for the country are now seen at 10.1 mln bales for 2021-22 season, compared with 10.8 mln bales a month ago.
- On global front, the agency has scaled down its global production estimate to 120.9 mln bales from 121.6 mln bales a month ago. The downward revision was mainly due to a likely smaller crop in the US and India. Global cotton consumption is seen almost flat at 124.2 mln bales in 2021-22. Exports are estimated at 46.6 mln bales, lower than the earlier projection of 46.9 mln. The agency has lowered its 2021-22 global ending stocks estimate to 85.0 mln bales from 85.7 mln bales.
- India's cotton exports in the 2021-22 (Oct-Sep) marketing year have been muted, mainly due to a recent surge in domestic prices that has made overseas sales economically unviable, trade officials said. Forward export deals have slowed down because of record high prices. In the ongoing marketing year, around 1.5 mln bales (1 bale = 170 kg) of cotton were exported till December, sharply lower than the previous year. In 2020-21, India had shipped 2 mln bales in Oct-Dec, according to trade officials. This season, most of the consignments have been shipped to Bangladesh, followed by China, Indonesia and Vietnam. China isn't actively buying this year, according to trade officials.
- The production of cotton is seen higher in the 2021-22 (Jul-Jun) season due to a likely rise in yields, despite a fall in acreage this year. The state's cotton output is expected to increase 18% on year to 8.5 mln bales (1 bale = 170 kg). Cotton yield in the current season is seen at 642.1 kg per ha, as against 540.4 kg per ha in the previous year, according to the second advance estimate by the state agriculture department.
- The UK-based Cotton Outlook has scaled down its estimate for global production in 2021-22 (Aug-Jul) by 43,000 tn to 26.0 mln tn, in its December report. The estimate has been revised downward as production in India is expected to be lower. The agency has marginally raised its output estimate for China, Pakistan, and the US. Cotton production in India is seen at 5.99 mln tn against 6.17 mln tn estimated in the previous month. The production in China is seen at 5.76 mln tn, while the US is likely to produce 3.98 mln tn. The agency has also lowered its estimate for global consumption in 2021-22 by 180,000 tn to 25.97 mln tn owing to a sharp fall in demand from China. Global cotton ending stocks are estimated at 27,000 tn for the ongoing 2021-22 season.
- The International Cotton Advisory Committee has lowered its forecast for global prices for 2021-22 (Aug-Jul) due to a rise in global production and ending stocks estimate, the agency said in a report. The committee revised downward its price forecast for Clook A Index, a global benchmark for prices of raw cotton, by 1 cent from the previous month to 103 cents per pound. In 2021-22 season, the committee estimated global ending stocks for the season at 20.5 mln tn, slightly higher than 20.4 mln tn in the previous season. Global consumption is seen almost steady at 25.6 mln tn. The agency sees global export for the season at 10.2 mln tn, as against 10.6 mln tn a year ago. Global production for the ongoing season is estimated at 25.7 mln tn, compared with 24.3 mln tn in the previous season. The rise has largely been attributed to higher production in the US and Brazil. In the US, cotton production is estimated at 3.96 mln tn, against 3.18 mln tn a year ago. Output in India, the largest producer, is expected to be 5.9 mln tn, compared with 6.0 mln tn in the previous year.
- India's cotton exports have slowed down in the current marketing year that began on Oct 1 as higher domestic consumption led to a tight supply situation and a rise in local prices, said market experts. In the ongoing marketing year of 2021-22 (Oct-Sep), around 200,000 bales of cotton were exported till October. Most of the consignments were shipped to Bangladesh followed by China and Vietnam, a trade official said. "Forward export deals of 600,000-700,000 bales of cotton for Nov-Dec delivery are still in transit, these deals were struck at a price of 115-125 cents per pound on a cost-and-freight basis," said Dharmendra Jain, director of Ahmedabad-based D.P. Cotton. Exports may touch around 900,000 bales by December, which is sharply lower than the previous year. In 2020-21, India shipped around 1.2-1.5 mln bales during Oct-Dec, industry experts said.
- The new season for cotton which started on Oct 1, is expected to be good for farmers as the market price of the fibre is currently more than the minimum support price, due to firm demand and a rise in global prices.
- Sowing of cotton across the country has ended and farmers have sown the crop across 12 mln ha in the 2021-22 (Jul-Jun) kharif season, down 6% from a year ago, data from the farm ministry.
- India's cotton output in the 2021-22 (Oct-Sep) marketing year is seen at 36.2 mln bales (1 bale = 170 kg), as per the median of estimates of 13 prominent players in the cotton value chain polled by Informist.
- In the ongoing 2021-22 (Jul-Jun) season, cotton acreage across the country was 11.9 mln ha as on Thursday, down 5.8% from a year ago, data from the farm ministry showed.
- In the Union Budget for 2021-22 (Apr-Mar), Finance Minister Nirmala Sitharaman proposed customs duty of 5% on cotton and 10% on cotton waste. She also proposed an Agriculture Infrastructure and Development Cess of 5% on cotton, taking the overall customs duty to 10%. Customs duty on raw silk and silk yarn or yarn spun from silk waste has been increased to 15% from 10% earlier.



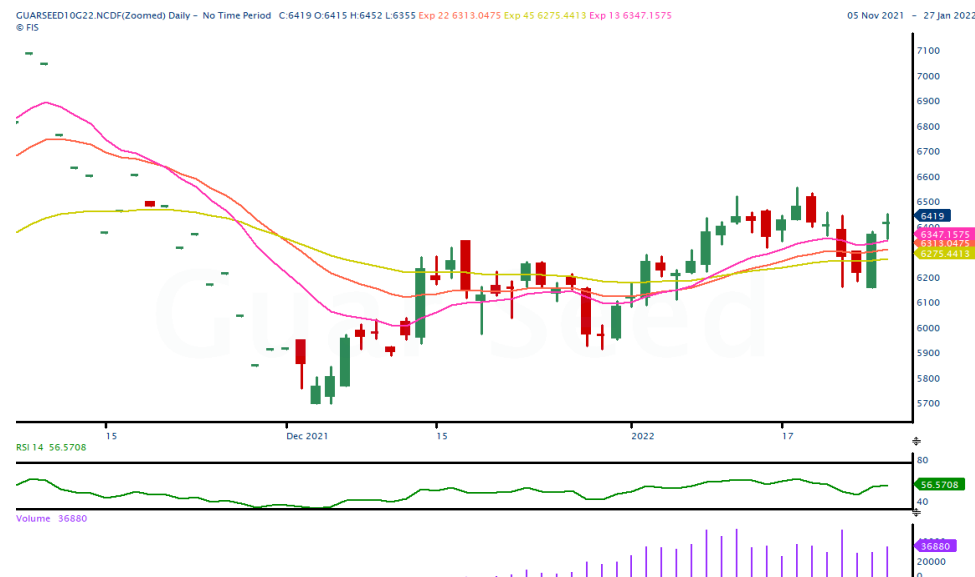
TECHNICAL VIEW

AGRIDEX NCDEX	Expect to continue more upside moves towards 1810/1820 levels in the immediate run.	
KAPAS NCDEX APR22	Upside momentum is more likely to continue towards 2035/2045 levels.	
COTTON MCX JAN	General momentum turns to be positive as prices sustain to trade above 37000/37200 levels.	
COCUDAKL NCDEX FEB	If prices breaks and sustain above 3320 could see more upside moves targeting 3350/3370 levels. Else, could see profit booking.	

OTHERS

Market Buzz

- Farmers across the country have sown chana across 11.33 mln ha in the 2021-22 (Jul-Jun) rabi season as of Wednesday, up 3.9% on year, according to data from the farm ministry. Chana sowing so far has been higher in Madhya Pradesh, Maharashtra, Gujarat and Uttar Pradesh, while it declined in Karnataka, Chhattisgarh and Rajasthan. The acreage in Madhya Pradesh, the largest producer, was up 0.9% on year at 2.51 mln ha, and in the second-largest grower--Maharashtra, it rose 9.2% on year to 2.60 mln ha. The area in Gujarat rose significantly by 34.5% on year to 1.10 mln ha. On the other hand, the acreage fell in Rajasthan by 1% on year to 2.04 mln ha, and in Karnataka by 6.1% on year to 1.10 mln ha.
- The Securities and Exchange Board of India has asked the National Commodity and Derivatives Exchange to not launch any new chana contracts on its platform till further notice, the market regulator said in a release on August 16, 2021.
- Government raises MSP for Rabi crops for season 2022-23. MSP for chana has increased by 2.5 % to Rs. 5230/qtl. against Rs. 5100/qtl previous year.
- Guarseed and guar gum futures posted gains for the year 2021, climbing to multi-year highs. Expectation of rise in demand, jump in crude oil prices and expectation of lower production lifted guar complex.
- India's guar gum exports decreased in the month of November 2021 by 25.01% to 17,466 tonnes compared to 23,292 tonnes during previous month at an average FoB of US \$ 2169 per tonne in the month of Nov'2021 as compared to US \$ 1849 per tonne previous month. Further, the gum shipments were up by 30.21% in Nov'2021 compared to the same period last year. Of the total exported quantity, around 4,645 tonnes bought by US, Russia 4,000 tonnes, Germany 1,322 tonnes, China 1,070 tonnes, Australia 1,041 tonnes and Canada 862 tonnes.
- India's guar split exports increased in the month of Nov'2021 by 1.55% to 2,620 tonnes compared to 2,580 tonnes previous month at an average FoB of US \$ 1,557 per tonne in the month of Nov'21 compared to US \$ 1,325 per tonne previous month. However, the guar split shipments gone down by 42.51 % in Nov'21 2021 compared to the same period last year. Of the total exported quantity, around 1,900 tonnes bought by China, US 660 tonnes and Switzerland 60 tonnes.
- According to Rajasthan govt 2021-22 second advance estimates, Guar seed production is seen a tad down at 1.1 mln tn. 2021-22 acreage stood at 21.13 lakh hectare as compared to 24.84 lakh hectare last year.
- According to Gujarat govt 2021-22 first advance estimates, Guar Seed production estimate pegged at 1.01 lakh tonne Vs 0.85 Lakh tonnes last year, Additionally, 2021-22 acreage stood at 1.21 lakh ha Vs 1.22 lakh ha. Yield pegged higher at 873 kg/ha Vs 699 Kg/ Ha last year



TECHNICAL VIEW

CASTOR NCDEX FEB	If prices sustain above 6440 could extend current buying momentum towards 6480/6520 levels.	
GUARSEED NCDEX FEB	May trade sideways to weak unless 6465 is breached convincingly upside.	
GUARGUM NCDEX FEB	Dips to 11960/11800 ranges may not be ruled out unless the resistance at 12180 is broken accompanied by substantial volume.	
RUBBER MCX FEB	A movement inside 17000-16200 expected.	

OILSEED COMPLEX

Market Buzz

- The Solvent Extractors' Association has urged the Centre and the Securities and Exchange Board of India to resume futures trade in mustard seed on the National Commodity and Derivatives Exchange.
- India's oilmeal exports fell 67% on year to 170,338 tn in December, according to Solvent Extractors' Association of India. In Apr-Dec, overall exports of oilmeal were at 1.77 mln tn, down 28.4% on year. Soymeal exports fell drastically to 262,337 tn in Apr-Dec, compared with 888,202 tn in the same period last year because the Indian variant is priced higher in international markets. In Apr-Dec, mustard meal exports fell about 22.2% on year to 713,593 tn, while exports of castor meal were down 10.8% on year at 282,464 tn.
- Farmers have sown mustard across 9.1 mln ha in the country, up 24.5% on year, in the ongoing 2021-22 (Jul-Jun) rabi season as of Friday, according to the farm ministry's data. The government fixed the minimum support price of the crop at 5,050 rupees per 100 kg for the 2022-23 (Apr-Mar) marketing season, as against 4,650 rupees in the previous year.
- In its January report, the US Department of Agriculture has scaled down its estimate for global soybean production in 2021-22 to 372.6 mln tn from 381.8 mln tn pegged in the previous month's report. The lower estimate is largely attributed to a decline in output in South American countries, including Brazil. The department lowered the soybean production estimate for Brazil for 2021-22 by 5 mln tn to 139 mln tn because of dry weather conditions in south Brazil in December. The estimate for global ending stocks for 2021-22 has been scaled down to 95.2 mln tn from 102 mln tn pegged the previous month. The global soyoil production estimate for 2021-22 has been revised downwards to 61.3 mln tn from 61.6 mln tn. Similarly, the global soyoil export estimate for 2021-22 has been revised marginally lower to 12.5 mln tn from 12.7 mln tn estimated the previous month. Also, the estimated global soymeal output for 2021-22 has been revised downwards to 255.9 mln tn from 257.6 mln tn, according to the report. The estimate for global exports of soymeal in 2021-22 has been cut marginally to 69.9 mln tn from 70.8 mln tn in December. According to the report, global oilseed production in 2021-22 is seen lower at 619.2 mln tn against 627.6 mln tn pegged in December, due to a decline in soybean output in Brazil. Global vegetable oil output in 2021-22 is estimated at 213.9 mln tn, against a projection of around 215.0 mln tn in December.
- India's vegetable oil imports fell 9.6% on year to 1.23 mln tn in December, the SEA. Vegetable oil imports for Nov-Dec were at 2.40 mln tn, against 2.46 mln tn in the same period last year. Edible oil imports were nearly at 1.22 mln tn in December against 1.33 mln tn a year ago, and for Nov-Dec the edible oil imports were at 2.36 mln tn, as against 2.41 mln tn year-on-year. In December, import of crude palm oil was at 528,143 tn, as against 748,006 tn during the same month previous year. The recent spread of the Omicron variant has resulted in a decline in demand from bulk buyers and subsequently reduced imports. As on Jan 1, 580,000 tn of edible oil was at ports, against 630,000 tn from a year ago, while 1.14 mln tn in the pipeline against 1.19 mln tn during same period last year.
- The Solvent Extractors' Association has urged the government to exempt soyoil from genetically-modified labelling requirement as it may lead to a rise in prices, it said in a letter. Last year, according to reports, the Centre had asked states to enforce separate labelling for genetically-modified soyoil to help consumers make informed decision.
- Production of canola in Canada for 2021-22 (Aug-Jul) is seen at a 13-year low of 12.6 mln tn, Agriculture and Agri Food Canada said in its December report. Supply of canola for the country is estimated at 14.5 mln tn, the lowest since 2008-09, on tight carry-in stocks, reduced output and modest imports. Export of canola is likely to fall 49% on year to 5.4 mln tn. Volatility for canola prices is expected to remain high with the market vulnerable to sharp corrections from either demand or supply shocks.
- The Centre has included soymeal under the Essential Commodities Act with immediate effect till Jun 30 to regulate production, stocking, and distribution of the commodity.
- The government has reduced the basic import duty on refined, bleached, and deodorised palm oil, to cool domestic prices, the finance ministry said in a notification. The new duty rates will be in place till Mar 31, the ministry said. The effective basic import duty on refined, bleached, and deodorised palm oil has been reduced to 12.5% from 17.5% earlier. With the new duty cut, the duty difference between crude palm oil, which is a raw material, and refined, bleached, and deodorised palm oil, which is the finished product, has reduced to 5.5% from 11.0% earlier.
- The Securities and Exchange Board of India asked exchanges not to launch new contracts of some farm commodities, including those of soybean and its derivatives, and crude palm oil. The restrictions come into effect immediately and shall be applicable for one year.
- The Central Organisation for Oil Industry and Trade has estimated India's mustard output in the 2021-22 (Jul-Jun) rabi season at 10-11 mln tn because of increase in acreage, it said in a release. In 2020-21 the country produced around 8.5 mln tn of mustard, which is a crucial oilseed sown in the rabi season during Sep-Oct and harvested from February.
- The soymeal exports in November increased 27.4% on year to 270,000 tn, the Soybean Processors Association of India said in a release. For Oct-Nov, soymeal exports fell to 291,000 tn from 347,000 tn a year ago. Soymeal production fell in November to 559,000 tn from 918,000 tn a year ago, it was at 1.04 mln tn during Oct-Nov, lower than 1.67 mln tn during the same period a year ago. Soybean arrivals in spot markets were lower at 14,000 tn in November compared to 19,000 tn during the same time last year. During Oct-Nov, arrivals fell to 2.9 mln tn from 3.7 mln tn during the same period last year. By the end of November, mills, traders, and farmers were left with around 9.91 mln tn of soybean stock.
- The National Commodity and Derivatives Exchange will not charge transaction fees on GUAREX and SOYDEX futures contracts up to Mar 31, the bourse said in a circular. This is to encourage active participation and market development of index products.
- The Centre cut basic duty on crude palm oil, crude soybean oil and crude sunflower oil from 2.5% to nil. The agri-cess on these oils has been brought down from 20% to 7.5% for crude palm oil and 5% for crude soybean oil and crude sunflower oil, the Finance Ministry said. The basic duty on RBD Palmolein Oil, Refined Soybean and Refined Sunflower Oil has been slashed to 17.5% from the current 32.5%.
- India's 2020-21 (Jul-Jun) mustard output is seen rising 22.6% on year to 8.95 mln tn, according to a joint survey by the Central Organisation for Oil Industry and Trade and the Mustard Oil Producers' Association.
- The government reduced the effective import duty on CRUDE PALM OIL to 8.25% from 24.75%, and the effective import duty on REFINED SOYOIL to 19.25% from 35.75%.
- India's soybean acreage in the 2021-22 (Jul-Jun) kharif season remained unchanged at 12.2 mln ha, agri ministry.
- The base import tax on crude palm oil has been slashed to 2.5% from 10%, while the tax on crude soyoil and crude sunflower oil has been reduced to 2.5% from 7.5%, the government said in a notification late on Friday. The base import tax on refined grades of palm oil, soyoil and sunflower oil cut to 32.5% from 37.5%. After the cuts, crude palm oil, soyoil and sunflower oil imports will be subject to a 24.75% tax in total, including a 2.5% base import duty and other taxes, while refined grades of palm oil, soyoil and sunflower oil would carry a 35.75% tax in total.
- The government allowed the import of 1.2 mln tn of genetically-modified soymeal till Oct 31 to augment supply in domestic markets, the Directorate General of Foreign Trade said in a notification.
- Malaysia's crude palm oil output fell 11.3% on month to around 1.5 mln tn in December, according to data from the Malaysian Palm Oil Board. Exports of palm oil in December fell 3.5% on month to 1.4 mln tn, and outbound shipments of biodiesel sharply fell by 76.6% on month to 13,371 tn. Total palm oil stocks in the country decreased 12.9% on month to around 1.6 mln tn as on December-end.
- CPO exports from Malaysia for the Jan 1-15 period were lower at 91,234 tn, against 158,650 tn during the same period last month.
- Acreage under oil palm in north-eastern states is likely to increase by 50-60% by 2025 depending on the availability of seedlings, a farm ministry source said.
- Indonesia's crude palm oil output is expected to rise 2.6% next year to 51.01 million tonnes from a 2021 estimate of 49.71 million tonnes, head of the Estate Crop Fund Eddy Abdurrachman said.

TECHNICAL LEVELS

Commodity	Contract	Open*	High*	Low*	Close*	S3	S2	S1	Pivot	R1	R2	R3
SPICES												
Jeera	MarNCDEX	19950	19950	19310	19450	18550	18930	19190	19570	19830	20210	20470
Turmeric	AprNCDEX	10040	10474	9940	10260	9441	9691	9975	10225	10509	10759	11043
Dhaniya	AprNCDEX	10240	10398	10154	10288	9918	10036	10162	10280	10406	10524	10650
Menthaoil	JanMCX	960.3	960.3	960.3	960.3	960	960	960	960	960	960	960
PULSES												
Guarseed	FebNCDEX	6415	6452	6355	6419	6268	6312	6365	6409	6462	6506	6559
Guargum	FebNCDEX	12000	12185	11860	12098	11585	11723	11910	12048	12235	12373	12560
OIL & OIL SEEDS												
Soybean	FebNCDEX	6355	6390	6350	6390	6323	6337	6363	6377	6403	6417	6443
RM seed	FebNCDEX	6750	6750	6701	6734	6658	6679	6707	6728	6756	6777	6805
CPO	JanMCX	1175	1175	1173	1175	1171	1172	1173	1174	1175	1176	1177
Soyoil	FebNCDEX	1264	1264	1264	1264	1263	1264	1264	1264	1264	1264	1265
Castor seed	FebNCDEX	6440	6518	6404	6478	6301	6404	6415	6467	6529	6581	6643
CEREALS												
Wheat	FebNCDEX	2126	2126	2126	2126	2126	2126	2126	2126	2126	2126	2126
Barley	AprNCDEX	1990	1990	1990	1990	1990	1990	1990	1990	1990	1990	1990
OTHERS												
Cocud^	JanNCDEX	3284	3303	3184	3255	3073	3128	3192	3247	3311	3366	3430
Kapas	Apr22 NCDEX	2026.0	2036.0	2010.0	2029.5	1988	1999	2014	2025	2040	2051	2066
Cotton	JanMCX	36500	36730	36340	36700	36060	36200	36450	36590	36840	36980	37230
Rubber	FebMCX	16488	16650	16488	16567	16325	16406	16487	16568	16649	16730	16811
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 Feb ICEX	NEGATIVE	NEGATIVE	0.75%	11.9%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE
Jeera Mar NCDEX	POSITIVE	HIGHLY POSITIVE	1.04%	16.5%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Turmeric Apr NCDEX	POSITIVE	POSITIVE	2.40%	38.0%	POSITIVE	POSITIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE
Dhaniya Apr NCDEX	POSITIVE	HIGHLY POSITIVE	1.39%	22.1%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Chana Jan NCDEX	FLAT/CHOPPY	FLAT/CHOPPY	#DIV/0!	#DIV/0!	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
Guarseed10 Feb NCDEX	POSITIVE	HIGHLY POSITIVE	1.29%	20.4%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Guargum Feb NCDEX	POSITIVE	HIGHLY POSITIVE	1.99%		POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Soybean Feb NCDEX	POSITIVE	HIGHLY POSITIVE	1.20%	19.0%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Ref. Soyoil Feb NCDEX	POSITIVE	HIGHLY POSITIVE	0.87%	13.8%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
RMseed Feb NCDEX	NEGATIVE	HIGHLY NEGATIVE	1.59%	25.3%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
CPO Jan MCX	POSITIVE	HIGHLY POSITIVE	0.92%	14.6%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Castor Feb NCDEX	POSITIVE	HIGHLY POSITIVE	1.18%	18.8%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Kapas22 Apr NCDEX	POSITIVE	HIGHLY POSITIVE	1.18%	18.7%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Cotton Jan MCX	POSITIVE	HIGHLY POSITIVE	1.44%	22.9%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Cocudakl Feb NCDEX	FLAT/CHOPPY	FLAT/CHOPPY	1.81%	28.8%	NEGATIVE	POSITIVE	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE
Wheat Feb NCDEX	FLAT/CHOPPY	FLAT/CHOPPY	0.54%	8.6%	POSITIVE	NEGATIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE
Barley Apr NCDEX	FLAT/CHOPPY	POSITIVE	1.47%	23.3%	FLAT	FLAT	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Menthaol Jan MCX	NEGATIVE	NEGATIVE	1.10%	17.4%	FLAT	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Rubber Feb MCX	NEGATIVE	HIGHLY NEGATIVE	2.29%	36.4%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE

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 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%	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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