



**GEOJIT**

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# AGRI PICKS

*A Daily Report on Agricultural Commodities*

Wednesday, September 16, 2020

## TODAY'S PICKS

**BUY COTTON ON DIPS**

**BUY COCUD ABOVE 1915**

## AGRI BUZZ

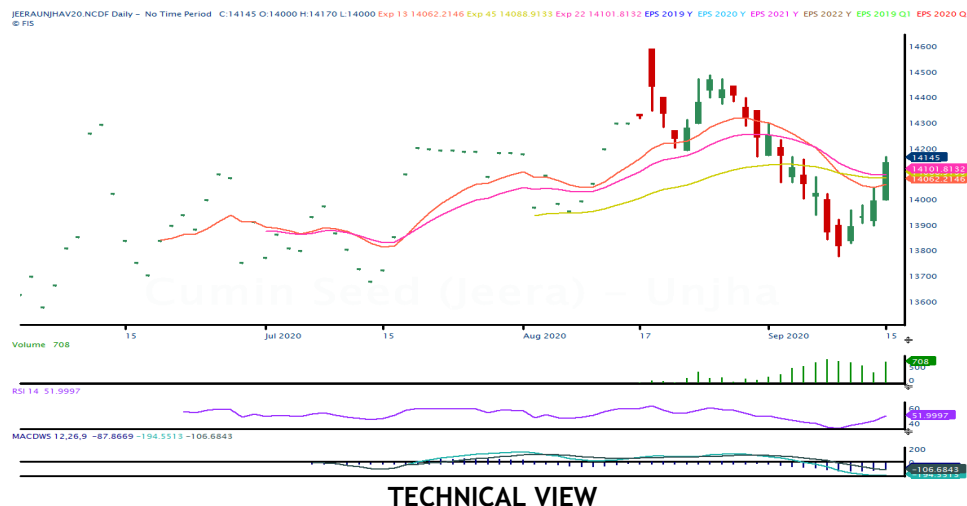
- Malaysia's palm oil exports during Sep 1-10 were pegged 26% higher on month at 467,420 tn, according to cargo surveyor SGS Malaysia. Meanwhile, cargo surveyor AmSpec Agri Malaysia reported a rise of 10% in exports at 472,780 tn.
- Most major rice procuring states have rejected the Centre's proposal to limit rice procurement in order to check the increase in stocks in the central pool, senior government officials told Cogencis.
- The government has allowed sugar mills to export their Maximum Admissible Export Quantity for 2019-20 (Oct-Sep) till the end of this year, an official notification said.
- The Multi Commodity Exchange of India has waived the transaction fees on all commodity option contracts till Mar 31, 2021, the bourse said in a circular.
- Farmers from Lasalgaon, Pimpalgaon, Niphad, and Umrana--key onion growing regions of Nashik district--hit the streets to protest against the government's decision to ban exports, traders said. The farmers, who were protesting outside the Agriculture Produce Market Committee, also refused to take part in the auction.
- India received 6.3 mm rainfall yesterday, 3% above normal, the India Meteorological Department said. Since the beginning of the monsoon season on Jun 1, the country has received 862.0 mm rainfall, 7% above normal.
- Looking at the rise in area under cultivation so far this kharif season, India will see a 'bumper' crop with the output 5-7% higher from the previous year, CRISIL Research said in a report called 'Farm Signs'.
- Global demand for crude oil is seen falling by 8.4 mln barrels per day in 2020, 30,000 bbl lower than the forecast in August, the International Energy Agency said in its report.
- The National Agricultural Cooperative Marketing Federation of India's copra procurement was over 14-fold higher on year at 4,475 tn of copra as of Saturday from farmers in Tamil Nadu and Karnataka, an agency official said.
- National Commodity Clearing Ltd, the clearing arm of the National Commodity and Derivatives Exchange, has so far marked 7,040 tn of chana and 5,375 tn of guar seed for staggered delivery against the September contract that will expire on Friday, according to data on its website.

| Futures       |                     | Spot     | Futures       |                               | Spot      | Futures       |                                    | Spot    |
|---------------|---------------------|----------|---------------|-------------------------------|-----------|---------------|------------------------------------|---------|
| Contract/spot | JEERA - SEP20       | Unjha    | Contract/spot | TURMERIC - SEP20              | Nizamabad | Contract/spot | CORIANDER - SEP20                  | Kota    |
| Rate          | 14305               | 13895    | Rate          | 5760                          | 5605      | Rate          | 6654                               | 6656.45 |
| % chg         | 1.35                | 0.57     | % chg         | -2.51                         | 0.09      | % chg         | -1.07                              | -0.04   |
| 1 week low    | 13680               | 13760    | 1 week low    | 5750                          | 5565.9    | 1 week low    | 6590                               | 6656.45 |
| 1 week High   | 14305               | 13950    | 1 week High   | 5994                          | 5611.35   | 1 week High   | 6764                               | 6738.9  |
| Futures       |                     | Spot     | Futures       |                               | Spot      | Futures       |                                    | Spot    |
| Contract/spot | CHANA - SEP20       | Bikaner  | Contract/spot | GUAR SEED10 - SEP20           | Jodhpur   | Contract/spot | Guar Gum Refined                   | Jodhpur |
| Rate          | 5099                | 5025.7   | Rate          | 4130                          | 4050.65   | Rate          | 6170                               | 6250    |
| % chg         | 0.51                | 0.51     | % chg         | 1.25                          | 1.78      | % chg         | 2.51                               | 1.99    |
| 1 week low    | 4860                | 4875.1   | 1 week low    | 3946                          | 3950      | 1 week low    | 5950                               | 6127.8  |
| 1 week High   | 5197                | 5100     | 1 week High   | 4170                          | 4050.65   | 1 week High   | 6275                               | 6259.4  |
| Futures       |                     | Spot     | Futures       |                               | Spot      | Futures       |                                    | Spot    |
| Contract/spot | SOYABEAN - SEP20    | Indore   | Contract/spot | REFINED SOYA OIL - SEP20      | Kandla    | Contract/spot | RAPE MUSTARD SEEDS - SEP20         | Jaipur  |
| Rate          | 3900                | 3947     | Rate          | 912.6                         | 907.05    | Rate          | 5270                               | 5463.55 |
| % chg         | 0.93                | 0.1      | % chg         | 0.65                          | 0.6       | % chg         | -0.57                              | -0.15   |
| 1 week low    | 3779                | 3826     | 1 week low    | 870.2                         | 874.1     | 1 week low    | 5230                               | 5440.65 |
| 1 week High   | 3923                | 3947     | 1 week High   | 917.9                         | 908.4     | 1 week High   | 5359                               | 5473.65 |
| Futures       |                     | Spot     | Futures       |                               | Spot      | Futures       |                                    | Spot    |
| Contract/spot | CASTOR SEED - SEP20 | Deesa    | Contract/spot | KAPAS - NOV20                 | Rajkot    | Contract/spot | COTTON SEED OIL CAKE AKOLA - SEP20 | AKOLA   |
| Rate          | 4032                | 4100     | Rate          | 976.5                         | 973.95    | Rate          | 1838                               | 1950.25 |
| % chg         | -0.35               | -0.4     | % chg         | 0.93                          | 0.51      | % chg         | 3.96                               | 2.27    |
| 1 week low    | 3996                | 4095     | 1 week low    | 961                           | 952.95    | 1 week low    | 1630                               | 1898.65 |
| 1 week High   | 4102                | 4123.8   | 1 week High   | 981.5                         | 975.2     | 1 week High   | 1838                               | 1950.25 |
| Futures       |                     | Spot     | Futures       |                               | Spot      | Futures       |                                    | Spot    |
| Contract/spot | RUBBER - OCT20      | Kottayam | Contract/spot | MAIZE - Feed/Industrial Grade | Gulabghat | Contract/spot | BARLEY - SEP20                     | Jaipur  |
| Rate          | 13432               | 13250    | Rate          | 0                             | 1340      | Rate          | 1319                               | 0       |
| % chg         | 0.99                | 0        | % chg         | 0                             | 0.47      | % chg         | -1.93                              | 0       |
| 1 week low    | 13250               | 0        | 1 week low    | 0                             | 1323.75   | 1 week low    | 1318.5                             | 0       |
| 1 week High   | 13300               | 0        | 1 week High   | 0                             | 1340      | 1 week High   | 1366                               | 0       |





SPICES COMPLEX

Market Buzz

- Jeera October futures on NCDEX stretched gains, rising more than one per cent, on Tuesday on firm domestic demand.
- 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 October futures on NCDEX inched up on Tuesday supported by fall in arrivals in the spot market amidst firm 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 October futures edged up on Tuesday taking cues from the spot market. Fall in arrivals in the spot market along with firm domestic demand lend support.
- 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.
- Futures contract of turmeric expiring in April on National Commodity and Derivatives Exchange will be available for trade from Oct 1 now instead of Sep 1 earlier, the bourse said in a circular. Currently, futures contracts expiring in August, September, October and November are available for trading. The contract expiring in December will be available for trading from Monday and would continue to trade as per existing contract specifications.
- Spices Board pegs 2019-20 turmeric crop at 938,955 tn, dn 2.2% YoY
- For the period Apr-Dec 2019, India exported 101,500 tn of turmeric, marginally up compared to 101,000 tonnes exported during the same period in 2018. However, in the value terms it showed a three per cent fall.
- 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><b>JEERA<br/>NCDEX OCT</b></p>    | <p>More upsides may be seen. However, a fall below 14000 may call for 13900 or more.</p>  |    |
| <p><b>DHANIYA<br/>NCDEX OCT</b></p>  | <p>Pullbacks to 6700-6750 ranges may not be ruled out before resuming declining. In the meantime, an unexpected rise above 6550 may lessen the prevailing weakness.</p> |  |
| <p><b>TURMERIC<br/>NCDEX OCT</b></p> | <p>Slippage past 5880 may call for 5820-5780 or even more to 5700. As long the 5880 holds, brief pullbacks are likely.</p>  |  |
| <p><b>CARDAMOM<br/>MCX OCT</b></p>   | <p>Mild positive bias.</p>  |  |

## OILSEED COMPLEX

### Market Buzz

- All commodities, except soy oil in the edible oil complex witnessed profit booking yesterday. MCX Sep CPO settled lower due to profit booking at higher price levels. However, major fall was arrested by the gains in BMD Malaysian palm oil prices. While, Oct Soy oil futures traded higher on firm domestic demand along with fall in edible oil imports to India. NCDEX Oct Soybean prices witnessed profit booking in spite of crop damage in Madhya Pradesh. However, major fall was limited by the gains in U.S CBOT soybean prices. Oct Mustard seed futures prices settled down due to fall in demand in major spot markets.
- India's edible oil imports fell 13.3% on year to over 1.3 mln tn in August, The Solvent Extractors' Association of India said in a release.
- Crushing of mustard 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.
- Farmers have so far sown crops across 110.5 mln ha, up over 6% from a year ago, in 2020-21 (Jul-Jun) kharif season, the farm ministry's data showed. Farmers have sown soybean across 12.1 mln ha in the kharif season as of Thursday, up 7.0% from a year ago, farm ministry data showed. 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.
- India's soymeal exports plunged 41% on year to 45,000 tn in August, according to data from The Soybean Processors' Association of India.
- Crushing of mustard seeds by mills in the country surged 52.4% on year to 800,000 tn in July, according to Mustard Oil Producers Association of India.
- India's edible oil imports rose 13% on year to over 1.5 mln tn in July, according to SEA. For Nov-Jul, edible oil imports were at 9.6 mln tn, lower than 10.8 mln tn during the year-ago period. During July, there were no imports of RBD palmolein as compared with 264,718 tn a year ago. The imports of crude palm oil and crude palm kernel oil rose 50% on year in July. Imports of soyoil and sunflower oil were also 52% and 4% higher on year, respectively, in July. As on Aug 1, 765,000 tn edible oil were at ports and 770,000 tn in the pipeline.
- The US Department of Agriculture has pegged global oilseed production in 2020-21 at 610.4 mln tn, compared with its estimate of 577.2 mln tn for 2019-20, and 604.2 mln tn estimated in July, the agency said in its report for August. They pegged global soybean output around 33.0 mln tn higher on year at 370.4 mln tn. For Brazil, soybean output is seen rising by 5.0 mln tn to 131.0 mln tn. Production of the oilseed in the US, is also seen rising by around 24.0 mln tn to 120.4 mln tn. In Argentina, soybean output is expected to be 3.8 mln tn higher at 53.5 mln tn.
- 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.
- India's mustard meal exports jumped 72% on year to 122,573 tn in June due to recovery in demand from major buyers, according to the data released by The Solvent Extractors' Association of India.
- Soybean Processors Association of India is expecting import of crude degummed soyoil to hit a record high of 500,000 tn in July due to a recovery in demand with the easing of lockdown norms, the association's President Davish Jain said. India's soymeal exports fell nearly 17% on year to 60,000 tn in June and around 71% lower on year at 573,000 tn during Oct-Jun, according to SOPA.
- India's oilmeal exports rose marginally on year to 229,230 tn in June due to recovery in demand from major buyers, according to the data released by SEA. However, the overall export of oilmeals during Apr-Jun fell 15% on year at 579,110 tn, the data showed. In June, soymeal exports slumped 9.4% on year to 56,638 tn, the association said. During Apr-Jun, South Korea purchased 182,136 tn of oilmeals compared to 280,429 tn during same period last year, while Vietnam bought 120,666 tn of oilmeals against 106,898 tn. The US imported 45,308 tn of oilmeals compared to 50,605 tn a year ago, and Thailand purchased 65,188 tn of oilmeals against 74,338 tn a year ago from India.
- 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 across the country have sown mustard across 6.9 mln ha as of Thursday, down 0.4% on year, farm ministry data showed.
- 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 during Sep 1-10 were pegged 26% higher on month at 467,420 tn, according to cargo surveyor SGS Malaysia. Meanwhile, cargo surveyor AmSpec Agri Malaysia reported a rise of 10% in exports at 472,780 tn.
- Malaysia's palm oil stock is expected to rise 6% on month to 1.8 mln tn in August due to higher output and lower exports, according to a CGS-CIMB Futures survey.



TECHNICAL VIEW

|                                  |  |  |
|----------------------------------|--|--|
| <b>SOYBEAN<br/>NCDEX OCT</b>     | If prices sustain to trade above 3900 except more upside moves targeting 3990/4030 levels.   |  |
| <b>REF SOY OIL<br/>NCDEX OCT</b> | As long as prices stays above 915 could see bullish moves towards 920/924 levels. However, if prices slips below 914 could see a mild profit booking.                  |  |
| <b>RMSEED<br/>NCDEX OCT</b>      | Though profit booking witnessed yesterday pullbacks is more likely to continue towards 5380 levels. However, any direct fall below 5300 could negate the buying moves. |  |
| <b>CASTOR<br/>NCDEX OCT</b>      | Expect sideways to positive trading session is more expected for the day.  |  |
| <b>CPO MCX<br/>SEP</b>           | If prices sustain to trade above 770 could see more upside moves targeting 785/792 levels. However, mild profit booking cannot be ruled out.                           |  |





## COTTON COMPLEX

### Market Buzz

- Arrivals of cotton in spot markets were pegged at 8,800 bales (1 bale = 170 kg) yesterday compared with 9,000 bales on Monday, trade sources said. In Gujarat, the Shankar-6 variety was sold at 34,800-35,300 rupees per candy (1 candy = 355.62 kg) and in Maharashtra, the 29-30 mm variety was sold at 36,500-37,000 rupees. Gujarat is the largest producer of cotton, followed by Maharashtra.
- Farmers have sown cotton across 12.9 mln ha in 2020-21 (Jul-Jun), up 2%, as of 11th Sep., data from the farm ministry showed. Area under the crop was higher than the normal of 12.2 mln ha for the period, based on the average for the last five years, data showed.
- The US Department of Agriculture has scaled up its estimate for India's cotton output in 2020-21 (Aug-Jul) to 30.0 mln bales (1 US bale = 218 kg) from 29.7 mln bales projected in the previous month, in its latest report. The agency has also raised its estimate for India's cotton exports to 5.0 mln bales from 4.9 mln bales pegged a month ago. They scaled down its estimate for India's ending stocks for the year to 21.4 mln bales, as against 22.5 mln bales projected a month ago. Imports and domestic consumption, however, are seen unchanged at 1 mln bales and 22.5 mln bales, respectively.
- 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.
- State Bank of India is going to launch a loan facility based on artificial intelligence and data analytics for organic cotton growers soon, Managing Director C.S. Setty said.
- 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.
- The International Cotton Advisory Committee has raised its 2020-21 (Aug-Jul) forecast for global prices due to a marginal rise in demand in its September report. Activity in major consuming countries began to recover with factories in Vietnam, Bangladesh and India reporting operations near 75% of capacity by July. The committee has scaled up its estimate for global consumption in 2020-21 to 24.3 mln tn, compared with 23.9 mln tn projected in the previous month. While global production is seen at 25.1 mln tn, compared with 24.8 mln tn estimated in August. Ending stock is estimated at 22.7 mln tn against 22.9 mln tn projected a month ago. The committee has also raised its estimate for global cotton exports for the ongoing season to 9.3 mln tn, compared with 9.1 mln tn projected in the previous month.
- The UK-based Cotton Outlook has scaled up its estimate for global output of the fibre in 2020-21 (Aug-Jul) to 24.6 mln tn from 24.4 mln tn projected last month, in its August report. Global cotton consumption in 2020-21 is seen steady at 23.5 mln tn. Ending stocks of the fibre for 2020-21 are seen at 1.08 mln tn, as against 858,000 tn projected last month.
- Govt cuts 2019-20 cotton output view to 35.5 mln bales vs 36.0 mln.
- Revenue of cotton yarn spinners is expected to decline 30-35% in 2020-21 (Apr-Mar) due to tepid domestic and export demand because of disruptions caused by COVID-19, research agency CRISIL said in a report.
- 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.



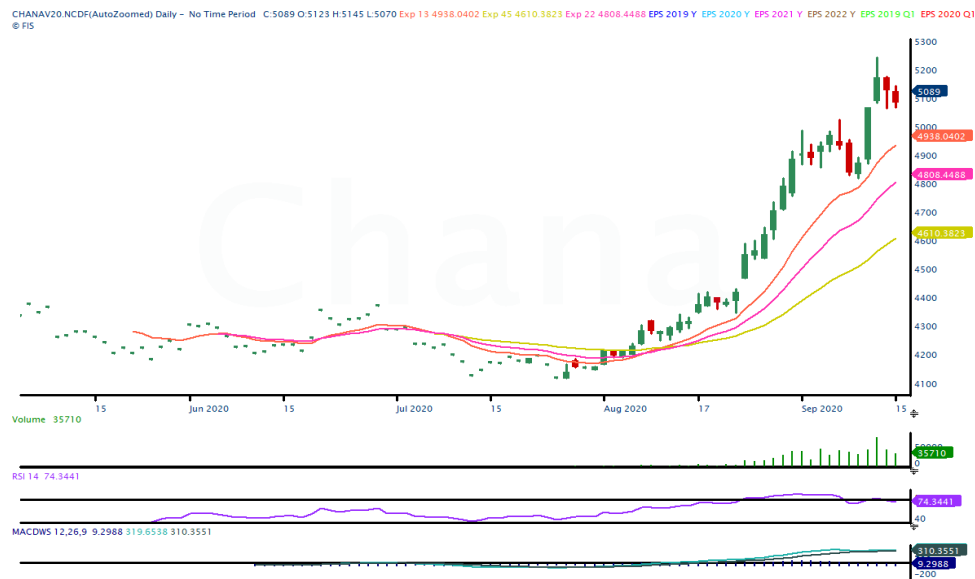
### TECHNICAL VIEW

|                                      |  |   |
|--------------------------------------|--|---|
| <p><b>AGRIDEX<br/>NCDEX</b></p>      | <p>Sentiments remains positive and as long as prices stays above 1134 expect more upside moves targeting 1140/1150 levels.</p>   |    |
| <p><b>KAPAS<br/>NCDEX APR21</b></p>  | <p>Sentiments largely positive and except to extend current bullishness towards 1050/1055 levels. However, mild profit booking cannot be ruled out at this juncture before resuming next wave of corrective moves.</p> |   |
| <p><b>COTTON MCX<br/>OCT</b></p>     | <p>As long as prices stays above 17750 could see upside momentum to continue towards 18100/18200 levels.</p>   |  |
| <p><b>COCUDAKL<br/>NCDEX DEC</b></p> | <p>If prices break and sustain above 1914 could see more upside moves targeting 1940/1960 levels.</p>  |  |

OTHERS

Market Buzz

- On Tuesday, Chana October futures on NCDEX was held in narrow ranges after the recent rally as demand started to wane-off of higher price levels.
- 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.
- Guarseed and Guar gum NCDEX October gained more than one per cent respectively on Tuesday support by export demand and rise in crude oil prices.
- According to the Rajasthan Agriculture Department, as of 20 Aug, guar has been sown across 2384700 hectares of land, up 79.5 per cent compared to the same period last year.
- 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 Association of Natural Rubber Producing Countries has lowered its forecast for global rubber output in 2020 to 13.15 mln tn, down 4.9% from the previous year, from the 13.20 mln tn pegged in July, the association said in its monthly report today. The association has also scaled down its estimate for global natural rubber consumption to 12.54 mln tn, down 8.9% on year, from 12.75 mln tn pegged in July.



TECHNICAL VIEW

|                           |  |  |
|---------------------------|--|--|
| <b>CHANA NCDEX OCT</b>    | As long as the support at 5060 holds downside, brief pullbacks are likely. However, voluminous fall past the same may call for 5020/4980 or even more. |  |
| <b>GUARSEED NCDEX OCT</b> | A voluminous rise above 4080 or a fall past 3960 may set the direction for the day.  |  |
| <b>GUARGUM NCDEX OCT</b>  | Choppy moves inside 6360 and 6050 seems to be highly likely.   |  |
| <b>RUBBER ICEX OCT</b>    | As long as resistance of 13800 caps, may trade sideways with a negative bias.  |  |

TECHNICAL LEVELS

| Commodity                  | Contract    | Open*  | High*  | Low*   | Close* | S3    | S2    | S1    | Pivot | R1    | R2    | R3    |
|----------------------------|-------------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| <b>SPICES</b>              |             |        |        |        |        |       |       |       |       |       |       |       |
| Jeera                      | OctNCDEX    | 14000  | 14170  | 14000  | 14145  | 13870 | 13935 | 14040 | 14105 | 14210 | 14275 | 14380 |
| Turmeric                   | OctNCDEX    | 5882   | 5942   | 5882   | 5938   | 5839  | 5861  | 5899  | 5921  | 5959  | 5981  | 6019  |
| Cardamom                   | OctMCX      | 1700   | 1700   | 1700   | 1700   | 1700  | 1700  | 1700  | 1700  | 1700  | 1700  | 1700  |
| Dhaniya                    | OctNCDEX    | 6782   | 6782   | 6562   | 6624   | 6310  | 6436  | 6530  | 6656  | 6750  | 6876  | 6970  |
| Menthaoil                  | SepMCX      | 956.1  | 964.5  | 954.0  | 962.8  | 946   | 950   | 956   | 960   | 967   | 971   | 977   |
| <b>PULSES</b>              |             |        |        |        |        |       |       |       |       |       |       |       |
| Chana                      | OctNCDEX    | 5123   | 5145   | 5070   | 5089   | 4983  | 5026  | 5058  | 5101  | 5133  | 5176  | 5208  |
| Guarseed                   | OctNCDEX    | 4005   | 4084   | 3988   | 4068   | 3913  | 3951  | 4009  | 4047  | 4105  | 4143  | 4201  |
| Guargum                    | OctNCDEX    | 6139   | 6298   | 6097   | 6261   | 5938  | 6018  | 6139  | 6219  | 6340  | 6420  | 6541  |
| <b>OIL &amp; OIL SEEDS</b> |             |        |        |        |        |       |       |       |       |       |       |       |
| Soybean                    | OctNCDEX    | 3953   | 3994   | 3888   | 3952   | 3789  | 3839  | 3895  | 3945  | 4001  | 4051  | 4107  |
| RM seed                    | OctNCDEX    | 5411   | 5411   | 5316   | 5346   | 5209  | 5263  | 5304  | 5358  | 5399  | 5453  | 5494  |
| CPO                        | SepMCX      | 783.0  | 787.9  | 775.6  | 776.7  | 760   | 768   | 772   | 780   | 785   | 792   | 797   |
| Soyoil                     | OctNCDEX    | 917.8  | 924.0  | 914.4  | 918.6  | 904   | 914   | 914   | 919   | 924   | 924   | 933   |
| Castor seed                | OctNCDEX    | 4086   | 4092   | 4062   | 4080   | 4034  | 4048  | 4064  | 4078  | 4094  | 4108  | 4124  |
| <b>CEREALS</b>             |             |        |        |        |        |       |       |       |       |       |       |       |
| Wheat                      | OctNCDEX    | 1761   | 1761   | 1761   | 1761   | 1761  | 1761  | 1761  | 1761  | 1761  | 1761  | 1761  |
| Barley                     | OctNCDEX    | 1350   | 1350   | 1350   | 1350   | 1350  | 1350  | 1350  | 1350  | 1350  | 1350  | 1350  |
| <b>OTHERS</b>              |             |        |        |        |        |       |       |       |       |       |       |       |
| Cocud^                     | DecNCDEX    | 1882   | 1914   | 1872   | 1910   | 1841  | 1857  | 1883  | 1899  | 1925  | 1941  | 1967  |
| Kapas                      | Apr21 NCDEX | 1044.0 | 1047.5 | 1038.0 | 1041.0 | 1027  | 1033  | 1037  | 1042  | 1046  | 1052  | 1056  |
| Cotton                     | OctMCX      | 17950  | 18050  | 17900  | 17980  | 17753 | 17827 | 17903 | 17977 | 18053 | 18127 | 18203 |
| Rubber                     | OctICEX     | 13432  | 13432  | 13432  | 13432  | 13432 | 13432 | 13432 | 13432 | 13432 | 13432 | 13432 |

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 Oct ICEX       | POSITIVE    | POSITIVE        | #N/A       | #N/A       | FLAT       | POSITIVE  | POSITIVE    | #N/A       | #N/A       | #N/A       |
| Jeera Oct NCDEX       | POSITIVE    | POSITIVE        | 0.59%      | 9.4%       | POSITIVE   | POSITIVE  | POSITIVE    | NEGATIVE   | POSITIVE   | POSITIVE   |
| Turmeric Oct NCDEX    | FLAT/CHOPPY | NEGATIVE        | 1.32%      | 20.9%      | POSITIVE   | NEGATIVE  | NEGATIVE    | NEGATIVE   | NEGATIVE   | POSITIVE   |
| Cardamom Oct MCX      | FLAT/CHOPPY | POSITIVE        | 3.37%      | 53.4%      | FLAT       | FLAT      | FLAT        | POSITIVE   | POSITIVE   | POSITIVE   |
| Dhaniya Oct NCDEX     | FLAT/CHOPPY | NEGATIVE        | 1.00%      | 15.9%      | POSITIVE   | NEGATIVE  | NEGATIVE    | NEGATIVE   | NEGATIVE   | NEGATIVE   |
| Chana Oct NCDEX       | NEGATIVE    | POSITIVE        | 1.19%      | 18.9%      | NEGATIVE   | NEGATIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Guarseed10 Oct NCDEX  | POSITIVE    | HIGHLY POSITIVE | 1.49%      | 23.6%      | POSITIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Guargum Oct NCDEX     | POSITIVE    | POSITIVE        | 2.16%      | 34.3%      | POSITIVE   | POSITIVE  | POSITIVE    | NEGATIVE   | NEGATIVE   | POSITIVE   |
| Soybean Oct NCDEX     | FLAT/CHOPPY | POSITIVE        | 1.33%      | 21.1%      | NEGATIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Ref. Soyoil Oct NCDEX | POSITIVE    | HIGHLY POSITIVE | 0.94%      | 15.0%      | POSITIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| RMseed Oct NCDEX      | NEGATIVE    | FLAT/CHOPPY     | 1.15%      | 18.2%      | NEGATIVE   | NEGATIVE  | NEGATIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| CPO Sep MCX           | FLAT/CHOPPY | POSITIVE        | 1.08%      | 17.1%      | NEGATIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Castor Oct NCDEX      | POSITIVE    | HIGHLY POSITIVE | 0.61%      | 9.7%       | POSITIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Kapas21 Apr NCDEX     | FLAT/CHOPPY | POSITIVE        | 0.72%      | 11.5%      | NEGATIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Cotton Oct MCX        | POSITIVE    | HIGHLY POSITIVE | 0.81%      | 12.9%      | POSITIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Cocudakl Dec NCDEX    | POSITIVE    | HIGHLY POSITIVE | 1.86%      | 29.5%      | POSITIVE   | POSITIVE  | POSITIVE    | POSITIVE   | POSITIVE   | POSITIVE   |
| Wheat Oct NCDEX       | POSITIVE    | POSITIVE        | 0.47%      | 7.5%       | POSITIVE   | POSITIVE  | NEGATIVE    | NEGATIVE   | POSITIVE   | POSITIVE   |
| Barley Oct NCDEX      | NEGATIVE    | NEGATIVE        | 0.78%      | 12.4%      | FLAT       | NEGATIVE  | NEGATIVE    | NEGATIVE   | NEGATIVE   | NEGATIVE   |
| Menthaoil Sep MCX     | POSITIVE    | NEGATIVE        | 1.06%      | 16.8%      | POSITIVE   | FLAT      | NEGATIVE    | NEGATIVE   | NEGATIVE   | NEGATIVE   |
| Rubber Oct ICEX       | NEGATIVE    | POSITIVE        | 0.64%      | 10.1%      | FLAT       | NEGATIVE  | POSITIVE    | POSITIVE   | 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 % > 35% | Ratings Very High risk | Risk % 27 to 34% | Ratings High risk | Risk % 20 to 26% | Ratings Moderate risk | Risk % 11 to 19% | Ratings Low risk | Risk % 1 to 10% | Ratings Very Low risk |
|-------------------------|--------------|------------------------|------------------|-------------------|------------------|-----------------------|------------------|------------------|-----------------|-----------------------|



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