



AGRI PICKS

A Daily Report on Agricultural Commodities

Thursday, February 04, 2021

TODAY'S PICKS

AGRI BUZZ

- The International Cotton Advisory Committee has raised its forecast for global prices in 2020-21 (Aug-Jul) due to lower production estimate and firm demand in its February report.
- Crushing of mustard seed in the country fell 16.7% on year to 300,000 tn in January, data from the Mustard Oil Producers Association of India showed. In December, mills had crushed 450,000 tn of the oilseed.
- After nine years, the government is planning to restart procurement of masur and maize grown in the rabi season of 2020-21 (Jul-Jun) in Bihar under the price support scheme, a source close to the development said.
- The average wholesale prices of onion have risen a little over 23% on week in Lasalgaon, Maharashtra, because of a decline in arrivals in market yards for auctions, traders said.
- Private cargo surveyor AmSpec Agri has pegged Malaysia's palm oil exports at around 1.1 mln tn for January, down 36% from the previous month.

	Futures	Spot
Contract/spot	JEERA - MAR21	Unjha
Rate	12970	12863.65
% chg	-0.15	-0.41
1 week low	12880	12863.65
1 week High	13605	13145.45
	Futures	Spot
Contract/spot	CHANA - MAR21	Bikaner
Rate	4537	4550
% chg	-0.79	0
1 week low	4469	4465.65
1 week High	4600	4562
	Futures	Spot
Contract/spot	SOYABEAN - FEB21	Indore
Rate	4600	4689
% chg	-0.22	-0.55
1 week low	4553	4689
1 week High	4695	4724
	Futures	Spot
Contract/spot	CASTOR SEED - FEB21	Deesa
Rate	4394	4500
% chg	0.37	0
1 week low	4350	4500
1 week High	4418	4508.15
	Futures	Spot
Contract/spot	RUBBER - FEB21	Kottayam
Rate	15380	15200
% chg	0.1	-0.16
1 week low	15188	0
1 week High	15238	0

	Futures	Spot
Contract/spot	TURMERIC	Nizamabad
Rate	0	6447.75
% chg	0	0.43
1 week low	0	6309.1
1 week High	0	6447.75
	Futures	Spot
Contract/spot	GUAR SEED10 - FEB21	Jodhpur
Rate	3911	3925
% chg	-0.26	-0.23
1 week low	3863	3895.85
1 week High	3948	3951.5
	Futures	Spot
Contract/spot	REFINED SOYA OIL - FEB21	Kandla
Rate	1099.9	1101.5
% chg	-1.47	-1.31
1 week low	1081	1101.5
1 week High	1128.7	1116.1
	Futures	Spot
Contract/spot	KAPAS - FEB21	Rajkot
Rate	1134	1130.05
% chg	0.09	-0.11
1 week low	1125	1121.7
1 week High	1134	1133.25
	Futures	Spot
Contract/spot	MAIZE - Feed/Industrial Grade	Gulabbagh
Rate	0	1427.5
% chg	0	-1.72
1 week low	0	1425
1 week High	0	1452.5

	Futures	Spot
Contract/spot	CORIANDER - APR21	Kota
Rate	6260	6000
% chg	0.35	0
1 week low	6054	6000
1 week High	6282	6041.65
	Futures	Spot
Contract/spot	Guar Gum Refined Splits - FEB21	Jodhpur
Rate	6190	6221.8
% chg	0.23	0.47
1 week low	6101	6169.45
1 week High	6250	6221.8
	Futures	Spot
Contract/spot	RAPE MUSTARD SEEDS - FEB21	Jaipur
Rate	5649	6136.3
% chg	1.29	-0.09
1 week low	5518	6021.45
1 week High	5662	6156.65
	Futures	Spot
Contract/spot	COTTON SEED OIL CAKE AKOLA - FEB21	AKOLA
Rate	2155	2200
% chg	2.28	0.63
1 week low	2067	2166.55
1 week High	2169	2200
	Futures	Spot
Contract/spot	BARLEY - APR21	Jaipur
Rate	1700	0
% chg	1.92	0
1 week low	1668	0
1 week High	1700	0

SPICES COMPLEX

Market Buzz

- Jeera March futures on NCDEX pated initial gains to end down on Wednesday. Better crop prospects and subdued demand weighed on.
- According to the second advance estimates released by the Gujarat’s farm department, production in jeera is expected to be at 373700 tonnes in 2020-21 compared to 375420 tonnes produced last year (2019-20).
- According to Gujarat’s farm department, as of 28 Dec2020, jeera has been sown across 464469 hectares in state, compared to 435657 hectares sown during the same period last year.
- Spices Board pegs Apr-Sep jeera exports at 153000 tonnes, up by 33 per cent on yoy basis.
- Exports of jeera were at 210,000 tn, up 16% from 180,300 tn in 2018-19 according to the Spices Board.
- NCDEX Coriander April futures ended Wednesday’s session in green in volume-less trades.
- Coriander production in Gujarat is expected to rise 55 per cent to 216680 tonnes in 2020-21 season (Jul-Jun) due to sharp rise in acreage according to the state’s farm department’s second advance estimates.
- As of Dec 28, 2020 coriander has been sown across 135563 hectares compared to 76904 hectares sown during the same period last year showed the data from the Gujarat state farm department.
- According to Spices Board of India data, coriander exports for the Apr-Sep period this year is seen at 26750 tonnes, up by nine per cent on yoy basis.
- Coriander exports from India were up 3% on year at 50,250 tn in the last financial year according to the Spices Board.
- Turmeric April futures on NCDEX pared initial gains to end more than one per cent down on Wednesday on profit booking. However, in the spot market it traded firm on export demand.
- Spices Board pegs turmeric export from India for the period Apr-Sep this year at 99000 tonnes, up by 42 per cent year on.
- India exported 136,000 tn of turmeric in 2019-20, up 2% on year according to the Spices Board.



TECHNICAL VIEW

<p>JEERA NCDEX MAR</p>	<p>A rise above 13200 or a fall past 12900 accompanied by considerable volume would set fresh directions for the day.</p>	
<p>DHANIYA NCDEX APR</p>	<p>6300 is the immediate resistance, that has to be breached convincingly for more advances towards 6380-6420 or more. Inability to clear the same may call for choppy moves inside 6300-6000 ranges.</p>	
<p>TURMERIC NCDEX APR</p>	<p>Even as there prevails positive bias, a rise above 6620 or a fall past 6380 may probably set fresh directions for the day.</p>	
<p>CARDAMOM MCX FEB</p>	<p>Choppy to trades expected.</p>	

OILSEED COMPLEX

Market Buzz

- All commodities, except Rmseed in the edible complex settled the day in weak note. MCX Feb CPO prices traded lower tracking weakness in BMD Malaysian palm oil futures due to reports of weak exports in Malaysia. Feb Soy oil prices settled lower on weakness in benchmark U.S CBOT soybean oil prices.
- NCDEX Feb soybean prices lower tracking weakness in benchmark U.S CBOT soybean prices. However, major downside was limited on back of improved demand for soymeal from India. While, Feb NCDEX Mustard seed prices settled the day in positive note due to lower arrivals in the spot market.
- India is likely to produce around 10 mln tn of mustard in 2020-21 (Jul-Jun), up 35% from a year ago, due to higher acreage and favourable weather conditions, according to the Solvent Extractors' Association of India.
- The government has proposed agriculture infrastructure and development cess on key edible oils in the Union Budget for 2021-22 (Apr-Mar). In the case of crude palm oil, the cess would lead to rise in overall effective duty by 5.5 percentage points to 35.75%. No major changes is seen in effective crude soyoil duty and crude sunflower oil.
- The US Department of Agriculture has scaled down its estimate for global oilseed production in 2020-21 to 594.5 mln tn from 595.7 mln tn projected in December. Higher production of sunflower seed would largely be offset by lower soybean, cottonseed, peanut, rapeseed, and palm kernel output. The sunflower seed production estimate for Russia has been increased by 0.5 mln tn to 13.5 mln tn, based on recent government estimates. In its report for January, the agency has also slashed its estimate for closing stocks of oilseeds to 96.5 mln tn from 97.8 mln tn projected the previous month. Global oilseed trade in 2020-21 is projected at 192.7 mln tn, against 191.8 mln tn in the agency's previous estimate. It has scaled down its forecast for global soybean crop to 361.0 mln tn against 362.1 mln tn projected in December. "Higher soybean crops for Canada and Uruguay are offset by lower production for Argentina, which has reduced 1 mln tn to 50 mln on lower harvested area," the report said. Lower soybean output in Argentina, the third-largest producer, brings down the country's crush and soymeal exports. This, in turn, supports the US' soybean exports, the agency said. It has forecast overall soybean output in the US in 2020-21 at 112.6 mln tn, against 113.5 mln tn projected the previous month, owing to lower cottonseed production. The estimate for Argentina's soybean output has been slashed by 2 mln tn to 48 mln tn.
- Soymeal exports were at 251,221 tn in December against 72,233 tn a year ago, while in Apr-Dec, soymeal exports were at 888,202 tn compared with 569,349 tn a year ago, according to data released by The Solvent Extractors' Association of India. Mustard meal exports in Apr-Dec were at 141,866 tn, up around 136% from a year ago.
- India's vegetable oil imports rose over 20% on year to around 1.35 mln tn in December, according to SEA.
- India's soymeal exports in December jumped nearly three-fold on year to 268,000 tn, data from The Soybean Processors Association of India showed. Soymeal exports in December a year ago were at 90,000 tn.
- As on Dec 31, farmers, processors, stockists and state-run agencies had around 400,000 tn stock, compared with nearly 1.2 mln tn a year ago, according to Mustard Oil Producers Association of India.
- Farmers in the country have sown mustard across 6.9 mln ha, up 10.6% on year, in 2020-21 (Jul-Jun) season so far, data from the farm ministry.
- Indian government slashed import duty of crude palm oil. The government cut import duty on crude palm oil by 10% to 27.5%, in the last week, to cool off soaring edible oil prices in domestic markets.
- 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. Soybean output is estimated at 12.2 mln tn in 2019-20, according to the farm ministry's fourth advance estimate.
- 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, according to Solvent Extractors' Association of India. The government has targeted an all-time high crop of 12.5 mln tn for this rabi season. The government has fixed the minimum support price at 4,650 rupees per 100 kg for 2020-21 (Apr-Mar) marketing season against 4,425 rupees per 100 kg the previous year.
- According to the first advance estimates for 2020-21 (Jul-Jun), castor seed output is seen at 1.7 mln tn compared with 1.8 mln tn in the fourth advance estimates for 2019-20, according to the data released by the farm ministry. While, according to traders, crop is seen at 1.5-1.6 mln tn. Farmers have sown castor seed across 792,000 ha in 2020-21 (Jul-Jun), down 16% from a year ago.
- India's castor oil exports jumped 41.6% on year to 53,007 tn in September, according to data from Solvent Extractors' Association of India. The exports have surged 28% from 41,408 tn in August. India's castor meal exports plunged by 26% on year to 54,885 tn in October from 73,832 tonnes, according to data released by The Solvent Extractors' Association of India. Moreover, overall export of oil meals during Apr-Oct plunged 43% on year to 382,238 tn.
- Malaysia's crude palm oil output plunged 10.6% on month to 1.33 mln tn in December, data from Malaysian Palm Oil Board. Total palm oil stock in the country fell 19.0% on month to 1.26 mln tn. Exports of palm oil in December rose 24.7% on month at 1.62 mln tn and those of biodiesel rose 111.3% on month to 42,913 tn.
- Malaysia's palm oil exports during Jan 1-20 are estimated down 43.3% on month at 572,910 tn, cargo surveyor SGS (Malaysia) data showed.



TECHNICAL VIEW

<p>SOYBEAN NCDEX FEB</p>	<p>Choppy trading session is more expected for the day</p>	
<p>REF SOY OIL NCDEX FEB</p>	<p>Inability to sustain above 1120 could see downfall to 1080 levels.</p>	
<p>RMSEED NCDEX FEB</p>	<p>Prices is required to break the resistance of 5680 to strengthen the covering rallies. Else, corrective moves is expected.</p>	
<p>CASTOR NCDEX FEB</p>	<p>Inability to move above 4450 could see downside correction towards 4350/4320 levels in the near term.</p>	
<p>CPO MCX FEB</p>	<p>Inability to move above 980 could see correction to 960/950 levels.</p>	

COTTON COMPLEX

Market Buzz

- The International Cotton Advisory Committee has raised its forecast for global prices in 2020-21 (Aug-Jul) due to lower production estimate and firm demand in its February report. They revised upwards its price forecast for Cotlook A index, a global benchmark for prices of raw cotton, by 4 cents from the previous month to 73 cents per pound. Global production for the ongoing season is currently estimated at 24.1 mln tn, down 8% from the previous season. The fall in output estimate has largely been attributed to a smaller crop in the US, Brazil, and Pakistan. Production in India is expected at 6.20 mln tn, compared with 6.07 mln tn in the previous year. The committee has estimated global consumption at 24.1 mln tn, compared with 22.8 mln tn last year. Similarly, global exports are seen higher at 9.3 mln tn, compared with 9.0 mln tn year ago. Global ending stock is estimated at 21.2 mln tn for the current season.
- 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.
- The UK-based Cotton Outlook has marginally raised its estimate for global output in 2020-21 (Aug-Jul) by 32,000 tn to 24.02 mln tn in its January report. The estimate has been scaled up largely due to upward revision in production in China. A slight reduction in production is seen in the US. The agency has maintained its estimate for India's cotton crop at 6.2 mln tn for the ongoing season. Production in the US is seen at 3.3 mln tn, against 3.5 mln tn projected a month ago. Global cotton consumption in 2020-21 is seen at 24.5 mln tn, against 24.3 mln tn projected the previous month. Consumption is seen higher on likely rise in demand from India and Turkey. Ending stocks of the fibre for 2020-21 are seen at 466,000 tn, against 325,000 tn projected last month.
- Cotton yarn prices in India have risen sharply mainly due to improved demand from the domestic downstream segments as well as continued strong overseas demand during Oct-Dec, rating agency ICRA said in a release.
- The USDA has scaled down its estimate for global cotton output for 2020-21 (Aug-Jul) to 112.9 mln bales (1 US bale = 218 kg) from 113.9 mln bales pegged in December. The downward revision in output estimate is mainly due to a fall in production in the US. The agency has cut its estimate for output in the US to 14.95 mln bales, compared with 15.95 mln bales projected a month ago. Global cotton consumption is seen at 115.7 mln tn, marginally higher from 115.6 mln bales pegged last month. Exports are now seen at 43.6 mln bales, compared with 43.2 mln bales, while ending stocks are seen lower at 96.3 mln bales, compared with 97.5 mln bales. The agency retained its crop estimates for India at 29.5 mln bales. India's exports for the current season is pegged at 5.0 mln bales. Domestic demand is seen at 24.0 mln bales steady from previous month. Ending stock for the ongoing season is seen at 19.4 mln bales.
- Cotton production in Gujarat is likely to fall 14% to 7.4 mln bales in 2020-21 (Jul-Jun) due to a sharp decline in acreage, according to the state farm department's second advance estimate. Cotton acreage in Gujarat is at 2.28 mln ha in the current season against 2.65 mln ha last year. The decline in acreage is mainly due to the shift to other lucrative crops like groundnut.
- The Cotton Association of India has marginally scaled up its estimate for production to 35.9 mln bales (1 bale = 170 kg) for the ongoing 2020-21 (Oct-Sep) season, from 35.6 mln bales projected in the previous month. In 2019-20, the association had pegged the crop at 36.0 mln bales. The association has maintained its estimate for exports to 5.4 mln bales (1 bale = 170 kg) for the ongoing 2020-21 (Oct-Sep) season. In the current marketing year, India has shipped around 2.0 mln bales up to December. Domestic consumption is estimated at 33.0 mln bales in 2020-21, while imports are pegged at 1.4 mln bales. Ending stocks in the country for the 2020-21 season are seen at 11.4 mln bales.
- Global cotton prices will likely average higher on a year-on-year basis in 2021 amid a broader and deeper economic recovery, Fitch Solutions says in a note. It is forecasting cotton prices to average 70c a pound in 2021. Lower global supply in 2020/21 coupled with the sharp uptick in China's import demand will keep prices supported.
- The much awaited and long delayed export agreement between Cotton Corp of India and Bangladesh government is now in its final stage and may materialise by December, said Pradeep Agarwal, chairman and managing director of the organisation.
- 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.
- 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.
- 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>AGRIDEX NCDEX</p>	<p>Though short covering rallies witnessed yesterday, prices has to clear the resistance of 1170 to continue upside moves targeting towards 1180 levels.</p>	
<p>KAPAS NCDEX APR21</p>	<p>If prices holds the trend line support of 1184 could see bounce back to 1220 levels.</p>	
<p>COTTON MCX FEB</p>	<p>As long as prices unable to move above 21400 could see corrective moves towards 20700 levels.</p>	
<p>COCUDAKL NCDEX FEB</p>	<p>It is now required to break the resistance of 2175 to continue upside moves targeting 2200/2130 levels.</p>	

OTHERS

Market Buzz

- Chana March futures on NCDEX retreated from four week high on Wednesday on tepid demand.
- Farmers in the country have sown rabi chana across 11.2 million hectares so far, up 4.4 per cent compared to same period last year, farm ministry data showed.
- The National Agricultural Cooperative Marketing Federation of India has offered discount of 5-10% on chana produced in the 2019-20 (Jul-Jun) rabi season, and subsequently procured by the agency at the minimum support price for that year, according to its website.
- The government raised chana MSP by Rs.225 to Rs.5100/100kg.
- Guarseed and Guargum February futures on NCDEX were held in narrow ranges on Wednesday.
- India's guar gum exports improved in the month of December 2020 by 32% to 17,644 tonnes compared to 13,414 tonnes during November 2020 at an average FoB of US \$ 1849 per tonne in the month of December compared to US \$ 1611 per tonne in the month of November 2020. However, the gum shipments were down -1% in December 2020 compared to the same period last year. Of the total exported quantity, around 4,914 tonnes is bought US, Russia (3,290 tonnes) and Germany (2,432 tonnes).
- India's guar split exports fell in the month of December 2020 by -39% to 2,800 tonnes compared to 4,557 tonnes during November 2020 at an average FoB of US \$ 955 per tonne in the month of December compared to US \$ 1,390 per tonne in the month of November 2020. Further, the guar split shipments were up +32% in December 2020 compared to the same period last year. Of the total exported quantity, around 1,880 tonnes is bought China, US (800 tonnes) and Switzerland (120 tonnes).
- Natural rubber in the Indian market were under pressure on Wednesday. Weak cues from the overseas market weighed on.
- MCX has delivered 70 tons of rubber on the settlement of its first-month expiry of January contract.
- Kerala government is set to raise the guarantee price for RSS4 grade rubber under Rubber Production Incentive Scheme from existing Rs.150 a kg to Rs.170 a kg with effective from April 1, 2021 as per the state budget presented on Jan 15, 2021.
- Global production of natural rubber in January is expected to recover to 1.19 mln tn from 1.05 mln tn a year ago, the Association of Natural Rubber Producing Countries said in a release. Globally, consumption of natural rubber during the month is likely to increase 15.5% on year to 1.17 mln tn, the release said. During Jan-Nov 2020, global production of natural rubber contracted 8.3% on year to 11.37 mln tn, while global consumption posted a fall of 7.9% on year to 11.66 mln tn. For December 2020, production of natural rubber is likely to fall 8.9% on year. However, consumption is likely to recover 3.6% to 1.16 mln tn.



TECHNICAL VIEW

CHANA NCDEX MAR	May trade sideways to weak as long as 4600 caps. A voluminous rise above 4600 may call for 4620-4670 or more.	
GUARSEED NCDEX FEB	3950 is the immediate resistance which has to be cleared accompanied by substantial volume for a rise to 3975-3980/4000 ranges. Else a range bound move inside 3950-3850 is expected.	
GUARGUM NCDEX FEB	Choppy to weak trades likely as long as 6250 caps. Key support seen at 6100-6050/5950.	
RUBBER MCX FEB/ICEX FEB	Broadly a movement inside 15700-15000 ranges expected and a voluminous breakout from either the sides could lend fresh directions.	

TECHNICAL LEVELS

Commodity	Contract	Open*	High*	Low*	Close*	S3	S2	S1	Pivot	R1	R2	R3
SPICES												
Jeera	MarNCDEX	12995	13100	12930	12955	12720	12825	12890	12995	13060	13165	13230
Turmeric	AprNCDEX	6580	6600	6460	6480	6287	6373	6427	6513	6567	6653	6707
Cardamom	FebMCX	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
Dhaniya	AprNCDEX	6218	6260	6218	6244	6179	6199	6221	6241	6263	6283	6305
Menthaoil	FebMCX	976.0	976.0	962.5	965.1	946	954	960	968	973	981	987
PULSES												
Chana	MarNCDEX	4575	4589	4537	4545	4473	4505	4525	4557	4577	4609	4629
Guarseed	FebNCDEX	3910	3945	3909	3916	3866	3887	3902	3923	3938	3959	3974
Guargum	FebNCDEX	6173	6250	6173	6199	6088	6130	6165	6207	6242	6284	6319
OIL & OIL SEEDS												
Soybean	FebNCDEX	4600	4619	4553	4599	4496	4524	4562	4590	4628	4656	4694
RM seed	FebNCDEX	5555	5662	5530	5650	5434	5482	5566	5614	5698	5746	5830
CPO	FebMCX	972.2	977.0	955.0	973.1	938	946	960	968	982	990	1004
Soyoil	FebNCDEX	1110.1	1110.1	1090.0	1101.4	1071	1090	1091	1101	1111	1111	1131
Castor seed	FebNCDEX	4380	4398	4378	4392	4361	4369	4381	4389	4401	4409	4421
CEREALS												
Wheat	FebNCDEX	1828	1828	1828	1828	1828	1828	1828	1828	1828	1828	1828
Barley	AprNCDEX	1700	1700	1700	1700	1700	1700	1700	1700	1700	1700	1700
OTHERS												
Cocud^	FebNCDEX	2117	2169	2108	2159	2061	2084	2122	2145	2183	2206	2244
Kapas	Apr21 NCDEX	1196.0	1207.0	1192.0	1205.0	1181	1186	1196	1201	1211	1216	1226
Cotton	FebMCX	21030	21150	21030	21130	20937	20983	21057	21103	21177	21223	21297
Rubber	FebICEX	15388	15388	15388	15388	15388	15388	15388	15388	15388	15388	15388

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	FLAT/CHOPPY	NEGATIVE	0.43%	6.9%	FLAT	FLAT	FLAT	NEGATIVE	NEGATIVE	POSITIVE
Jeera Mar NCDEX	NEGATIVE	HIGHLY NEGATIVE	0.94%	14.9%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Turmeric Apr NCDEX	NEGATIVE	POSITIVE	1.36%	21.6%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Cardamom Feb MCX	FLAT/CHOPPY	FLAT/CHOPPY	0.00%	0.0%	FLAT	FLAT	FLAT	FLAT	FLAT	FLAT
Dhaniya Apr NCDEX	POSITIVE	POSITIVE	1.01%	16.0%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	NEGATIVE
Chana Mar NCDEX	FLAT/CHOPPY	FLAT/CHOPPY	1.25%	19.9%	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE
Guarseed10 Feb NCDEX	FLAT/CHOPPY	NEGATIVE	0.75%	11.9%	NEGATIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Guargum Feb NCDEX	POSITIVE	HIGHLY POSITIVE	0.84%	13.3%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Soybean Feb NCDEX	NEGATIVE	FLAT/CHOPPY	1.27%	20.1%	NEGATIVE	NEGATIVE	POSITIVE	NEGATIVE	POSITIVE	POSITIVE
Ref. Soyoil Feb NCDEX	NEGATIVE	NEGATIVE	1.40%	22.2%	NEGATIVE	NEGATIVE	POSITIVE	NEGATIVE	NEGATIVE	POSITIVE
RMseed Feb NCDEX	POSITIVE	POSITIVE	1.91%	30.3%	POSITIVE	POSITIVE	POSITIVE	NEGATIVE	POSITIVE	POSITIVE
CPO Feb MCX	NEGATIVE	POSITIVE	1.31%	20.7%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Castor Feb NCDEX	POSITIVE	FLAT/CHOPPY	0.64%	10.1%	POSITIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE
Kapas21 Apr NCDEX	POSITIVE	POSITIVE	0.72%	11.4%	POSITIVE	POSITIVE	POSITIVE	FLAT	POSITIVE	POSITIVE
Cotton Feb MCX	POSITIVE	POSITIVE	0.71%	11.2%	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE
Cocudak1 Feb NCDEX	POSITIVE	HIGHLY POSITIVE	1.50%	23.8%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Wheat Feb NCDEX	FLAT/CHOPPY	FLAT/CHOPPY	0.57%	9.1%	FLAT	FLAT	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE
Barley Apr NCDEX	POSITIVE	HIGHLY POSITIVE	1.06%	16.7%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Menthaoil Feb MCX	NEGATIVE	HIGHLY NEGATIVE	0.97%	15.3%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Rubber Feb ICEX	POSITIVE	FLAT/CHOPPY	0.76%	12.1%	POSITIVE	POSITIVE	POSITIVE	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%	> 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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