AGRI PICKS

A Daily Report on Agriculture Commodities

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MARKET NEWS/UPDATES

- India's edible oil imports in December fell sharply by almost 16% to around 1.31 mln tn from 1.55 mln tn a year ago, the Solvent Extractors' Association of India said today. India is the world's largest importer of edible oils. India's vegetable oil imports fell to 1.31 mln tn in December from 1.57 mln tn in the corresponding month last year. The vegetable oil basket consists of edible and non-edible oils. The edible oil import basket comprises crude and refined palm oils, crude soyoil, and sunflower oil. In the Nov-Dec period, India imported palm oil from Indonesia and Malaysia, and soyoil from Argentina, Brazil, Iraq and Turkey. Sunflower oil was imported from Argentina, Romania, Russia and Ukraine. The edible oil year runs from November to October. As of Jan 1, total stock of edible oil available was estimated at 2.9 mln tn against 3.0 mln tn a year ago. Of the 2.9 mln tn, about 948,000 tn of edible oil was at ports and around 1.9 mln tn in the pipeline, the Solvent Extractors' Association of India said.

- The Cotton Association of India has estimated the country's cotton output in 2023-24 (Oct-Sep) at 29.4 mln bales (1 bale = 170 kg), unchanged from last month's projection, according to a release. The estimated cotton production in the current year is 8% lower than the 31.9 mln bales produced last year, the lowest output in 15 years, owing to a drop in acreage and El Nino-induced dry spells in Aug-Sep, according to the association. The association updates its estimates almost every month, based on information received from members of associations in 11 cotton-growing states and other trade sources. Production of cotton in the north zone, which comprises Punjab, Haryana, and Rajasthan, is estimated at 4.2 mln bales, down 100,000 bales from last year. As of Dec 31, 2.8 mln bales of cotton had been produced in this zone. The estimate for the central zone, which comprises Gujarat, Maharashtra, and Madhya Pradesh, is also down at 17.9 mln bales from 19.5 mln bales last year. As of Dec 31, 5.7 mln bales of cotton had been produced in this zone. The estimate for the south zone is also seen lower at 6.7 mln bales from 7.5 mln bales last year. As of Dec 31, 3.09 mln bales of cotton were produced in this zone. Other states account for the rest of the output. The opening stock for the season starting October was estimated at 2.9 mln bales, the association said. The total supply of cotton for the 2023-24 season is estimated at 34.5 mln bales, down from 35.5 mln bales a year ago. The association has estimated imports in 2023-24 at 2.2 mln bales, higher than the 1.25 mln bales imported in 2022-23. Additionally, total supply till the end of Dec 2023 is estimated at 14.9 mln bales. The estimated cotton supply for 2023-24 consists of the opening stock of 2.9 mln bales, cotton output for the season estimated at 29.4 mln bales, and imports for the season estimated at 2.2 mln bales. The association has estimated the domestic consumption, surplus available, and exports at 31.1 mln bales, 3.4 mln bales, and 1.4 mln bales, respectively, the same as the previous month's estimates. Until Dec 31 the consumption is estimated at 8.1 mln bales.

- The National Commodity and Derivatives Exchange Ltd has removed the 2% additional surveillance margin on all turmeric contracts effective from Thursday, it said in a circular. The exchange has reintroduced the additional surveillance margin of 2.5% on jeera and jeera mini contracts effective from Thursday, it said in another circular. This change in the additional margin will be applicable to all running contracts and yet-to-be launched jeera contracts till Feb 1. On Tuesday, the exchange had cut the 2% surveillance margin on jeera contracts. The increased volatility in jeera prices has triggered the reintroduction of the margin, the exchange said.

- Farmers in Telangana have sown rabi crops over 2.62 mln acres as of Wednesday, slightly higher than 2.59 mln acres a year ago, according to data from the state government. One acre is about 0.40 ha. So far, 48% of the normal rabi crop area of 5.5 mln acres in the state has been covered, the data showed. The area under pulses fell 24% on year to 282,804 acres. Acreage of Bengal gram, which constitutes 87% of the pulses, was down nearly 25% on year at 244,866 acres. For the ongoing rabi season, the normal acreage for pulses is 4.21 mln acres.Maize, Bengal gram, jowar, and groundnut are the main rabi crops grown in the state. Paddy sowing rose 5% on year to 1.64 mln acres from 1.57 mln acres. The season's normal acreage for the crop is 4.05 mln acres. Telangana did not receive rainfall in winter and so far the cumulative rainfall in the year has been normal at 7.15 mm, the data showed. The area under coarse grains rose 15% on year to 423,531 acres. The acreage of maize, the key rabi crop in the state, rose to 352,433 acres from 309,550 acres and accounted for 83% of the area under coarse grains. The season's normal area for maize is 511,521 acres, as per the data. The area under food grains rose to 2.35 mln acres from 2.31 mln acres a year ago. Oilseed acreage was at 216,016 acres, down from 237,379 acres a year ago. Groundnuts accounted for 89% of the oilseed acreage at 191,434 acres, down from 204,678 acres a year ago. The normal area for oilseeds in the season is 371,037 acres. The water level in major reservoirs in the state as of Wednesday was 391.74 bln cu ft, down from 664.56 bln cu ft a year ago, according to government data.

- Production of crude palm oil in Malaysia fell 13.3% on month to 1.55 mln tn in December, according to preliminary data from the Malaysian Palm Oil Board. Exports of palm oil in December fell 5.1% on month to 1.33 mln tn. Biodiesel exports fell 0.7% on month to 17,834 tn, the data showed. Palm oil is also used to make biofuel. Total stocks of palm oil in the country fell 4.6% on month to 2.29 mln tn in December. Malaysia is the world's second-largest producer of crude palm oil, and India is the largest consumer of edible oils.

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TECHNICAL VIEW

JEERA NCDEX MAR	Choppy to weak trades expected. An unexpected rise above 27700 may set in some short-covering moves.
DHANIYA NCDEX APR	May vary inside 8050-7580 ranges.
TURMERIC NCDEX APR	Pullbacks to 13100/13250 or even more may no be ruled out even as there prevails a weak bias.
COCUDAKL NCDEX FEB	Pullbacks to 2725-2735 or even more may not be ruled out. A direct voluminous fall past 2680 may call for 2665 or more.
COTTON CANDY MCX JAN	Choppy moves expected.
KAPAS NCDEX APR24	May trade sideways with mild positive bias as long as support at 1522 is held downside.
CASTOR NCDEX FEB	Pullbacks to 5695/5740 ranges may not be ruled out even as there prevails a weak bias.
GUARSEED NCDEX FEB	Dips to 5520/5470 ranges may not be ruled out before inching higher. However, such moves stretching beyond 5430 may dampen sentiments.
GUARGUM NCDEX FEB	Even as more upsides are in store, dips to 10740/10650 ranges may not be ruled out. A direct fall below 10580 may call for more downside correction.
SUNOIL NCDEX JAN	May inch higher. However, corrective dips to 848/842 ranges may not be ruled out as well.

TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA MAR4	NCDEX	26360	26465	25900	26150	25313	25607	25878	26172	26443	26737	27008
TMCFGRNZM APR4	NCDEX	13050	13088	12650	12910	12239	12445	12677	12883	13115	13321	13553
DHANIYA APR4	NCDEX	7780	7820	7700	7720	7553	7627	7673	7747	7793	7867	7913
CASTORSEED FEB4	NCDEX	5630	5675	5629	5660	5588	5629	5634	5655	5680	5701	5726
GUARSEED10 FEB4	NCDEX	5460	5558	5453	5535	5368	5410	5473	5515	5578	5620	5683
GUARGUM5 FEB4	NCDEX	10640	10900	10591	10806	10322	10457	10631	10766	10940	11075	11249
MENTHAOIL JAN4	MCX	923.7	926.0	918.8	919.1	909	914	917	921	924	929	931
COCUDAKL FEB4	NCDEX	2691	2712	2680	2704	2653	2667	2685	2699	2717	2731	2749
KAPAS APR4	NCDEX	1534.0	1547.0	1529.0	1541.5	1513	1521	1531	1539	1549	1557	1567
COTTONCNDY JAN4	MCX	55600	55600	55500	55600	55433	55467	55533	55567	55633	55667	55733
SUNOIL JAN4	NCDEX	848	853	848	852	843	846	849	851	854	856	860

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

TRADING SIGNALS

Commodities	Exchange	Intraday	Medium term		RSI		Volatility	
		View	13 day EMA	22 day EMA	Condition	Trending	1 day	Annualised
JEERAUNJHA MAR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	4.19%	66.5%
TMCFGRNZM APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	1.86%	29.6%
DHANIYA APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	3.12%	49.6%
GUARSEED10 FEB4	NCDEX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	1.17%	18.6%
GUARGUM5 FEB4	NCDEX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	1.66%	26.3%
CASTORSEED FEB4	NCDEX	POSITIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.72%	11.5%
KAPAS APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.43%	6.8%
COTTONCNDY JAN4	MCX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.64%	10.2%
COCUDAKL FEB4	NCDEX	FLAT/CHOPPY	NEGATIVE	NEGATIVE	Neutral	Strong	0.90%	14.3%
MENTHAOIL JAN4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	0.86%	13.7%
SUNOIL JAN4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	0.68%	10.8%

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 Intra-day 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.

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

Source: Informist (Cogencis), Reuters, e-News , NCDEX, MCX, and other International exchanges.

Strong bias or bullish

Weak bias or bearish

Mild bullish bias

Choppy or Sideways

Mild bearish bias

Choppy with positive note

Choppy with negative note

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