AGRI PICKS

A Daily Report on Agriculture Commodities

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MARKET NEWS/UPDATES

- Farmers in Andhra Pradesh have sown rabi crops over 1.39 mln ha as of Jan 31, down 14.5% from 1.63 mln ha a year ago, according to state government data. So far, nearly 61% of the targeted rabi crop area of 2.3 mln ha in the state has been covered, the data showed. The acreage of Bengal gram was down 15% on year at 280,000 ha, the data showed. The area under black gram, also known as urad, was down 16.5% on year at 213,000 ha from 255,000 ha last year, the data showed. The area under pulses was down 14% on year at 583,000 ha. Bengal gram, black gram, maize, tobacco, and peanuts are the major rabi crops grown in the state. So far, Andhra Pradesh has not received rainfall during winter, while the state normally receives 15.9 mm of rain in this season, the data showed. Farmers in Andhra Pradesh have sown paddy over 456,000 ha as of Jan 31, down from 551,000 ha in the previous year. The targeted area for the crop is 820,000 ha in the current season. Rabi paddy is currently at transplantation stage, according to the state government's report. Jowar's acreage was up at 81,000 ha from 51,000 ha a year ago, data showed. Maize was sown over 117,000 ha, lower than 182,000 ha in the previous year. Jowar, maize, bajra, and ragi crops are at the harvesting stage, the government's report said. The area under food grains was down at 1.24 mln ha from 1.47 ha a year ago, and coarse grain cultivation was at 205,000 ha, down from 240,000 mln ha in the previous year. Oilseed acreage fell to 75,000 ha from 99,000 ha a year ago, according to the report. The target for oilseeds is 142,000 ha for the current season. Groundnut was sown over 57,000 ha, lower than 81,000 ha a year ago. The water level in major reservoirs in the state as of Jan 31 was 250.78 bln cu ft, down from 533.40 bln cu ft a year ago, according to government data.

- The National Commodity and Derivatives Exchange has decided against launching options contracts of guar seed, guar gum, maize, dhaniya, jeera, and turmeric beyond the existing expiries. The exchange on Tuesday released a circular giving details on the discontinuation of these options contracts. The exchange said options contracts with new expiries due to be launched on Friday in respect of these six agricultural commodities will not be launched. These six options "were largely illiquid", an official at the exchange told Informist. The running expiries in the six options in goods contracts will continue to trade on the exchange. In the case of guar gum and guar seed options, there are six existing monthly expiries from February to July that will continue to trade. But expiries beyond July will not be launched. In the case of maize options, the existing monthly expiries from February to May will continue to trade, and those beyond May will not be launched. The currently available expiries of April, May, and June for dhaniya will continue to trade but no further expiries will be launched. Similarly, for jeera options, available expiries of March, April, and May will continue to trade but no further expiries will be launched. In the case of turmeric, the options with expiries in April and June will continue trading and no further expiries will be launched. Options contracts of the six agricultural commodities were launched over the last few years starting from 2020. Due to lack of liquidity, the exchange has decided to phase out trading in these contracts.

- The area under rabi crops in Maharashtra fell 4.8% on year to 5.68 mln ha as of Monday, according to data published by the state agriculture department. The acreage was 5.96 mln ha during the same period a year ago. The acreage has surpassed the average figure of five years between 2016-17 and 2020-21 of 5.40 mln ha, the data revealed. Acreage of gram, a key rabi crop in the state, fell to 2.59 mln ha from 2.91 mln ha a year ago, the data showed. The area under pulses was at 2.70 mln ha, down from 3.06 mln ha a year ago. Gram, wheat, safflower, mustard, and sorgum are the major rabi crops in the state. Wheat acreage was at 993,133 ha, down from 1.13 mln ha in the year-ago period. The area under jowar rose 21% on year to 1.57 mln ha. The total area under cereals rose 2.6% on year to 2.90 mln ha. Oilseed acreage fell to 71,375 ha from 74,600 ha a year ago, according to the data. Safflower was sown across 43,207 ha, up from 30,328 ha a year ago, while sunflower acreage fell to 2,144 ha from 8,400 ha last year. As of Wednesday, the water level in the state's dams was 54.9% of capacity compared with 80.8% a year ago, according to data from the state water resources department.

- The government of Gujarat released final data of rabi acreage for 2023-24 season Monday. According to the data, the area under rabi crops in the state stands at 4.60 mln ha in the current season, up 2.9% from 4.47 mln ha last year. The normal rabi acreage, which is the average of the last three years, was 4.61 mln ha, and the actual area was 99.8%. The area under wheat, the key rabi crop grown in the state, has declined 3.6% in the current rabi season to 1.25 mln ha from 1.29 mln ha a year ago. The normal area for the crop was 1.30 mln ha. The area of wheat grown on irrigated land in the state was 1.22 mln ha, down from 1.27 mln ha a year ago, while the acreage of wheat grown on unirrigated land was 25,231 ha, lower than 26,820 ha last year. As per the second advance estimates released by the state government, production for wheat has been pegged at 3.84 mln tn. The area under maize in the state rose 9.3% on year to 115,435 ha. The acreage of rabi cereals was down 1.5% on year at 1.40 mln ha. Wheat, cotton, mustard, and jeera are the main rabi crops in Gujarat. The state is also known for its vegetables such as onion, potato, and tomato in the rabi season. The acreage of rabi pulses was down 16.2% on year at 676,761 ha. The acreage of chana, the major pulse in Gujarat accounting for 93.2% of the rabi pulses, was 630,698 ha, down 17.6% on year from 764,518 ha. Production for pulses was pegged at 1.36 mln tn, with chana at 1.32 mln tn, as per the second advance estimates released by the state government. Total oilseed acreage was down 9.6% on year at 277,843 ha. Mustard occupied 99.8% of the oilseed sowing area at 277,332 ha, down 9.1% on year from 305,231 ha, the data showed. The area under jeera has more than doubled to 561,306 ha, from 275,832 ha last year. The normal area for the crop is 350,666 ha. Gujarat is the largest producer of the spice. The acreage under coriander was down 43% on year at 127,035 ha. Gujarat is the second-largest producer of the spice. Production for jeera and coriander were pegged at 408,190 tn and 205,670 tn, respectively, as per the second advance estimates. Among other crops, sowing of tobacco was down 2.5% from the previous year at 134,959 ha, while that of sugarcane rose to 201,648 ha from 181,371 ha last year. Sowing of vegetables rose to 207,445 ha from 202,375 ha last year. Acreage of potato rose to 134,857 ha from 131,432 ha the previous year. The area under fodder was 604,519 ha, down from 611,924 ha in the year-ago period.

TECHNICAL VIEW

JEERA NCDEX MAR	27600 is the immediate resistance and a voluminous rise above the same may call for 28100 or even more. Inability to clear the same may call for sideways to weak trades.
DHANIYA NCDEX APR	A rise above 7900 or a fall past 7650 may lend fresh direction for the day.
TURMERIC NCDEX APR	A direct voluminous rise above 14680 may call for 14900-15050 or even more. However, inability to clear 15050 may call for downside correction.
COCUDAKL NCDEX FEB	A rise above 2525 or a fall past 2450 may lend fresh direction for the day.
COTTON CANDY MCX FEB	Choppy moves expected.
KAPAS NCDEX APR24	While there prevails weakness, pullbacks to 1484/1496 ranges may not be ruled out. A direct voluminous fall past 1464 could intensify weakness.
CASTOR NCDEX FEB	Unless 5840 may call for sideways to weak trades.
GUARSEED NCDEX FEB	A movement inside 5345-5240 ranges expected and a voluminous break from either side of the aforementioned range may lend fresh direction for the day.
GUARGUM NCDEX FEB	A direct voluminous rise above 10140 may set in some short covering moves. Inability to clear the same may call for sideways to weak trades.
SUNOIL NCDEX FEB	As long as support at 842 is held downside, could approach 852/861 ranges.

TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA MAR4	NCDEX	27500	27550	26865	27250	26208	26537	26893	27222	27578	27907	28263
TMCFGRNZM APR4	NCDEX	15000	15040	13996	14054	12643	13319	13687	14363	14731	15407	15775
DHANIYA APR4	NCDEX	7690	7762	7660	7722	7565	7613	7667	7715	7769	7817	7871
CASTORSEED FEB4	NCDEX	5770	5814	5730	5730	5618	5730	5702	5758	5786	5842	5870
GUARSEED10 FEB4	NCDEX	5300	5335	5274	5310	5217	5245	5278	5306	5339	5367	5400
GUARGUM5 FEB4	NCDEX	10000	10141	9865	10073	9636	9750	9912	10026	10188	10302	10464
MENTHAOIL FEB4	MCX	936.9	936.9	925.1	928.9	912	919	924	930	936	942	947
COCUDAKL FEB4	NCDEX	2505	2523	2468	2473	2398	2433	2453	2488	2508	2543	2563
KAPAS APR4	NCDEX	1509.0	1509.0	1476.5	1478.0	1434	1455	1467	1488	1499	1520	1532
COTTONCNDY MAR4	MCX	55900	55900	55600	55600	55200	55400	55500	55700	55800	56000	56100
SUNOIL FEB4	NCDEX	845	851	841	849	833	837	843	847	853	857	863

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	POSITIVE	NEGATIVE	NEGATIVE	Neutral	Strong	4.31%	68.4%
TMCFGRNZM APR4	NCDEX	POSITIVE	POSITIVE	POSITIVE	Neutral	Weak	2.83%	45.0%
DHANIYA APR4	NCDEX	POSITIVE	POSITIVE	POSITIVE	Overbought	Strong	3.25%	51.5%
GUARSEED10 FEB4	NCDEX	POSITIVE	NEGATIVE	NEGATIVE	Neutral	Strong	1.18%	18.7%
GUARGUM5 FEB4	NCDEX	POSITIVE	NEGATIVE	NEGATIVE	Neutral	Strong	1.71%	27.2%
CASTORSEED FEB4	NCDEX	POSITIVE	NEGATIVE	POSITIVE	Neutral	Strong	1.39%	22.0%
KAPAS APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.43%	6.8%
COTTONCNDY MAR4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Weak	0.65%	10.3%
COCUDAKL FEB4	NCDEX	POSITIVE	NEGATIVE	NEGATIVE	Oversold	Strong	1.21%	19.2%
MENTHAOIL FEB4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	0.86%	13.7%
SUNOIL FEB4	MCX	POSITIVE	NEGATIVE	POSITIVE	Neutral	Strong	0.73%	11.7%

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

Choppy or Sideways

Mild bullish bias

Mild bearish bias

Choppy with positive note

Choppy with negative note

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