# AGRI PICKS

*A Daily Report on Agriculture Commodities*

*08 Apr 2024*

## MARKET NEWS/UPDATES

- The United Nations Food and Agriculture Organization's Food Price Index was at 118.3 points in March, up 1.1% from the revised level for February, the agency said in a report. The index was down 9.9 points or 7.7% from a year ago. "Increases in the price indices for vegetable oils, dairy products, and meat have slightly more than offset a decrease in those for sugar and cereals," FAO said. The cereal price index fell 2.6% on month and 20% on year to 110.8 points in March. The decline can be attributed to a drop in global wheat prices for the third consecutive month in March, primarily due to strong competition among European Union countries, Russia, and the US in terms of exports. Ample supplies from Australia and the US amid cancelled wheat purchases by China, also contributed to the decline in prices, the report said. Maize export prices edged marginally upwards on month due to more buying by China. "Logistical difficulties in Ukraine and elsewhere also provided some support to maize prices, although it was countered by seasonal pressure in Argentina and Brazil where harvests are underway," the report said. Global prices of barley fell, while those of sorghum increased in March. The FAO All Rice Price Index declined 1.7% in March, largely reflecting subdued global import demand, it said. The vegetable oil price index was up 8% month-on-month at 130.6 points in March, at a one-year-high. "The marked rebound reflected higher price quotations across palm, soy, sunflower and rapeseed oils," FAO said. International palm oil prices continued to increase in March, underpinned by seasonally lower output in leading producing countries, which coincided with firm domestic demand in southeast Asia. However, global prices of soyoil recovered from multi-year lows, mostly due to robust demand from the biofuel sector, particularly in the US and Brazil. Similarly, sunflower and rapeseed oil prices recovered amid rising global import demand. Higher crude oil prices also contributed to the increase in vegetable oil prices, according to the report. The dairy price index was up 2.9% on month at 124.2 points in March, marking the second consecutive monthly increase, though it was down 8.2% on year. In March, global cheese prices rose the most, reflecting the steady import demand from Asia, higher sales in western Europe and a seasonal drop in production in Oceania. International butter prices increased further in March, mainly due to good seasonal demand and somewhat tighter stocks in Europe. The meat price index was up 1.7% on month at 113.0 points in March, the second consecutive monthly increase. On year, it was down 1.5%. International poultry meat prices increased in March, underpinned by steady demand from leading importing countries. Prices of pork also increased, mainly reflecting higher internal demand ahead of the Easter holidays, notwithstanding increased supplies, especially in Western Europe. "World bovine meat prices continued to rise in March, mainly due to increased purchases by leading importing countries," the agency said. The sugar price index fell 5.4% on month to 133.1 points in March after two consecutive monthly increases due to a decline in international sugar price quotations, mainly driven by the upward revision of the 2023-24 sugar production forecast in India and the improved pace of sugar harvest in Thailand at the final stage of the season. On year, however, sugar prices were up 4.8%. Persisting concerns over the crop in Brazil, negatively affected by prolonged dry weather conditions, continued to exacerbate seasonal trends and limit the drop in prices. Higher international crude oil prices also helped limit the fall in global sugar prices, the report said.

- The water level in key reservoirs in south India is at only 20% of their total live capacity as of Thursday, said the Central Water Commission. The situation continued to be bleak in south India, especially with peak summer just around the corner. The water reservoir levels in many of the states in southern India, such as Andhra Pradesh, Telangana and Karnataka, are dangerously low, according to the data. Last year, the water level in these reservoirs in the southern region was at 34% of the total live capacity, and the 10-year average for the same period was 28%, the data showed. In Andhra Pradesh, the water level in reservoirs is at just 9% of the total live capacity compared with 56% from the corresponding period a year ago. Similarly, in Karnataka, the water level is at 22% of the live storage capacity against 31% a year ago. The water level across India's 150 primary reservoirs was at 61.801 bcm as of today, down 17% from a year ago and 2% from the average of the last 10 years, according to the data. The current water level is 35% of the total live storage capacity of these reservoirs.

- The National Commodity and Derivatives Exchange Ltd has raised the open position limit of 29 cotton contracts effective from Jun 1. The commodity exchange has raised the overall cotton contract open position limit of members to 500,000 bales from 200,000 bales and for the near-month contract to 125,000 bales from 50,000 bales, it said in a circular. The overall position limit for clients has been raised to 50,000 bales from 20,000 bales and 12,500 bales from 5,000 bales for the near-month contract, it said. "Overall (all contracts) member-level limit shall be numerical limits or 15% of market-wide open position, whichever is higher. Near-month member level position limit shall be equivalent to the one-fourth of the overall member level position limit," according to the circular. Modified near-month and overall position limits will be applicable for cotton futures contracts expiring in July 2024 onwards, it said.

- The Mustard Model Farm project, a joint effort by the Solvent Extractors' Association of India and Solidaridad to increase India's oilseed availability, aims to increase the country's mustard production to 20 mln tn by 2029-30, the association said today. The project, launched in 2020-21, has facilitated a record acreage of 10 mln ha and a likely mustard output of 12 mln tn in 2023-24, the association said. "India is heading for a record rapeseed-mustard crop of 120.90 lakh tn (12.1 mln tn) as remunerative prices in the past year encouraged record plantings of the oilseed," SEA said. Conducive weather and efforts made by the Mustard Model Farm project boosted production over the years, it said. Under the project, around 3,500 model farms have been set up across the country, covering more than 125,000 farmers in five states. India's mustard production has steadily increased from 8.6 mln tn in 2020-21 to 11.3 mln tn in 2022-23, while the acreage has expanded from 6.7 mln ha in 2020-21 to 10.0 mln ha in 2023-24. The project has started showing positive results as reflected in SEA's recent crop survey for 2023-24, it said. According to the survey, mustard production in 2023-24 is estimated to be the highest in Rajasthan at 4.6 mln tn, followed by Uttar Pradesh at 2.0 mln tn and Madhya Pradesh at 1.8 mln tn. "In spite of some damage during February, the average productivity for the year 2023-24 has been estimated at 1,201 kg per ha," SEA said. Innovative farming practices, advanced technology adoption, and comprehensive farmer support programmes have facilitated higher production, the association said.

## TECHNICAL VIEW

| | |
|---|---|
| JEERA NCDEX MAY | A rise above 24000 or a fall past 23000 may lend fresh direction for the day. |
| DHANIYA NCDEX MAY | Choppy to weak trades with support at 7760/7680 ranges may be seen unless 8050 is breached convincingly upside. |
| TURMERIC NCDEX JUN | May inch higher. However, a fall past 17200 may call for a revisit towards 16800 or more. |
| COCUDAKL NCDEX MAY | As long as support at 2570 is held downside, pullbacks are likely. However, a voluminous rise above 2640 is required for sentiments to improve. |
| COTTON CANDY MCX MAY | Choppy to weak moves expected. |
| KAPAS NCDEX APR24 | A voluminous rise above 1535 may set in short-covering moves. Else, expect choppy to weak trades. |
| CASTOR NCDEX MAY | A rise above 6010 or a fall past 5920 may lend fresh directional moves. |
| GUARSEED NCDEX MAY | More upsides are probably instore. However, dips to 5410/5360 ranges may not be ruled out. |
| GUARGUM NCDEX MAY | May inch higher. On the downside, a voluminous fall 10540 may lessen the prevailing positive bias. |
| SUNOIL NCDEX APR | Dips to 874/868 ranges may not be ruled out unless 885 is breached convincingly upside. |



## TECHNICAL LEVELS

| Commodity | Exchange | Open* | High* | Low* | LTP* | S3 | S2 | S1 | Pivot | R1 | R2 | R3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| JEERAUNJHA MAY4 | NCDEX | 23440 | 23770 | 23155 | 23635 | 22655 | 22905 | 23270 | 23520 | 23885 | 24135 | 24500 |
| TMCFGRNZM APR4 | NCDEX | 16758 | 16950 | 16532 | 16816 | 16164 | 16348 | 16582 | 16766 | 17000 | 17184 | 17418 |
| DHANIYA MAY4 | NCDEX | 7960 | 7960 | 7782 | 7848 | 7589 | 7685 | 7767 | 7863 | 7945 | 8041 | 8123 |
| CASTORSEED MAY4 | NCDEX | 6000 | 6007 | 5945 | 5953 | 5868 | 5945 | 5930 | 5968 | 5992 | 6030 | 6054 |
| GUARSEED10 MAY4 | NCDEX | 5364 | 5472 | 5330 | 5455 | 5224 | 5277 | 5366 | 5419 | 5508 | 5561 | 5650 |
| GUARGUM5 MAY4 | NCDEX | 10639 | 10850 | 10540 | 10817 | 10311 | 10426 | 10621 | 10736 | 10931 | 11046 | 11241 |
| MENTHAOIL APR4 | MCX | 924.9 | 924.9 | 905.5 | 906.8 | 881 | 893 | 900 | 912 | 919 | 932 | 939 |
| COCUDAKL MAY4 | NCDEX | 2596 | 2612 | 2587 | 2602 | 2564 | 2575 | 2589 | 2600 | 2614 | 2625 | 2639 |
| KAPAS APR4 | NCDEX | 1520.0 | 1533.0 | 1510.0 | 1520.5 | 1486 | 1498 | 1509 | 1521 | 1532 | 1544 | 1555 |
| COTTONCNDY MAY4 | MCX | 61700 | 61900 | 61480 | 61580 | 60987 | 61233 | 61407 | 61653 | 61827 | 62073 | 62247 |
| SUNOIL APR4 | NCDEX | 875 | 875 | 874 | 875 | 872 | 873 | 874 | 874 | 875 | 876 | 877 |

**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 MAY4 | NCDEX | POSITIVE | POSITIVE | NEGATIVE | Neutral | Strong | 2.04% | 32.3% |
| TMCFGRNZM APR4 | NCDEX | FLAT/CHOPPY | NEGATIVE | NEGATIVE | Oversold | Strong | 2.98% | 47.3% |
| DHANIYA MAY4 | NCDEX | FLAT/CHOPPY | POSITIVE | NEGATIVE | Neutral | Strong | 1.36% | 21.6% |
| GUARSEED10 MAY4 | NCDEX | POSITIVE | POSITIVE | POSITIVE | Neutral | Strong | 0.88% | 14.0% |
| GUARGUM5 MAY4 | NCDEX | POSITIVE | POSITIVE | POSITIVE | Neutral | Strong | 1.15% | 18.2% |
| CASTORSEED MAY4 | NCDEX | POSITIVE | POSITIVE | POSITIVE | Neutral | Strong | 0.86% | 13.6% |
| KAPAS APR4 | NCDEX | NEGATIVE | NEGATIVE | NEGATIVE | Oversold | Strong | 0.43% | 6.8% |
| COTTONCNDY MAY4 | MCX | NEGATIVE | POSITIVE | POSITIVE | Neutral | Strong | 1.07% | 17.0% |
| COCUDAKL MAY4 | NCDEX | NEGATIVE | NEGATIVE | NEGATIVE | Neutral | Strong | 1.21% | 19.2% |
| MENTHAOIL APR4 | MCX | NEGATIVE | NEGATIVE | NEGATIVE | Neutral | Strong | 0.78% | 12.4% |
| SUNOIL APR4 | MCX | NEGATIVE | NEGATIVE | POSITIVE | Neutral | Strong | 0.79% | 12.5% |

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

## GENERAL DISCLOSURES & DISCLAIMERS:

GENERAL DISCLOSURES & DISCLAIMERS:

CERTIFICATION

I, Anu V Pai, an employee of Geojit Financial Services Limited, a public listed Company with Corporate Identification Number (CIN) : L67120KL1994PLC008403 and SEBI Registration Number – Research Entity: INH200000345, having its registered office at 11th Floor, 34/659 – P, Civil Line Road, Padivattom, Kochi - 682024, Kerala, India (hereinafter referred to as "GFSL") and author of this report, hereby certify that all the views expressed in this research report (report) reflect my personal views about any or all of the subject issuer or securities/ commodities.

DISCLAIMER

This report has been prepared by GFSL and the report & its contents are the exclusive property of GFSL and the recipient cannot tamper with the report or its contents in any manner and the said report, shall in no case, be further distributed to any third party for commercial use, with or without consideration.

GFSL has taken steps to ensure that facts in this report are based on reliable information but cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this report. It is hereby confirmed that wherever GFSL has employed a rating system in this report, the rating system has been clearly defined including the time horizon and benchmarks on which the rating is based.

Descriptions of any Commodity or Commodities mentioned herein are not intended to be complete and this report is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any commodity or other financial instruments. GFSL has not taken any steps to ensure that the commodity/(ies) referred to in this report are suitable for any particular investor. This Report is not to be relied upon in substitution for the exercise of independent judgment. Opinions or estimates expressed are current opinions as of the original publication date appearing on this Report and the information, including the opinions and estimates contained herein, are subject to change without notice. GFSL is under no duty to update this report from time to time.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

RISK DISCLOSURE

Geojit Financial Services Limited and/or its Affiliates and its officers, directors and employees including the analyst/ authors shall not be in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Investors may lose his/her entire investment under certain market conditions so before acting on any advice or recommendation in these material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. This report does not take into account the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the Commodity/(ies) referred to in this report (including the merits and risks involved). The price, volume and income of the investments referred to in this report may fluctuate and investors may realize losses that may exceed their original capital.

The investments or services contained or referred to in this report may not be suitable for all equally and it is recommended that an independent investment advisor be consulted. In addition, nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to individual circumstances or otherwise constitutes a personal recommendation of GFSL.

REGULATORY DISCLOSURES:

Geojit Financial Services Limited's Associates consists of companies such as Geojit Technologies Private Limited (GTPL - Software Solutions provider), Geojit Credits Private Limited (GCPL- NBFC Services provider). In the context of the SEBI Regulations on Research Analysts (2014), Geojit Financial Services Limited affirms that we are a SEBI registered Research Entity and we issue research reports /research analysis etc that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

*GFSL confirms that:*

It/its associates have no financial interest or any other material conflict in relation to the subject Commodity futures covered herein at the time of publication of this report.

*Further, the Research Analyst confirms that:*

He, his associates and his relatives have no financial interest in the subject Commodity futures covered herein, and they have no other material conflict in the subject Commodity at the time of publication of this report.

2. Disclosures regarding Compensation:

During the past 12 months, GFSL or its Associates have not received any compensation or other benefits from any entity/ third party in connection with the Commodity futures mentioned in this report.

3. Disclosure regarding the Research Analyst's connection with the Commodity futures:

It is affirmed that I, Anu V Pai, employed as Research Analyst by GFSL and engaged in the preparation of this report have no substantial ownership or financial interest over any Commodity futures mentioned in the report.

4. Disclosure regarding Market Making activity:

Neither GFSL nor its Research Analysts have engaged in market making activities for the subject Commodity futures. 

In case you have any grievance, please contact the below mentioned:

Compliance Officer
Ms. Indu K.
Geojit Financial Services Limited,
34/659 P, Civil Lane Road, Padivattom, Kochi – 682024
Tele: 0484 -2901367
Email: compliance@geojit.com

Grievance Officer
Mr Nitin K
Geojit Financial Services Limited,34/659 P, Civil Lane Road, Padivattom, Kochi – 682024
Tele:  0484-2901363
Email : grievances@geojit.com

STANDARD WARNING

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

ANU V PAI Digitally signed by ANU V PAI
Date: 2024.04.06
11:09:33 +05'30'