AGRI PICKS

A Daily Report on Agriculture Commodities

11 Jun 2024

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MARKET NEWS/UPDATES

- The southwest monsoon, which advanced to some more parts of Maharashtra on Monday, will likely cover some parts of south Gujarat and some more parts of Maharashtra in the next two days, the India Meteorological Department said on Monday. The northern limit of the monsoon currently passes through Dahanu, Nashik and, Chhatrapati Sambhajinagar in Maharashtra, Nizamabad in Telangana, Sukma in Chhattisgarh, Malkangiri in Odisha, Vizianagaram in Andhra Pradesh, and Islampur in West Bengal. The weather bureau has predicted heavy to very heavy rainfall to continue over Konkan and Goa, Madhya Maharashtra, Marathwada and Coastal and North Interior Karnataka till Tuesday. The weather bureau also predicted very heavy rainfall over a few parts of northeast India due to a cyclonic circulation over northeast Assam and strong southerly winds prevailing from the Bay of Bengal. Assam, Meghalaya, Sub-Himalayan West Bengal and Sikkim are likely to receive very heavy rain from Tuesday to Friday, and over Arunachal Pradesh on Thursday and Friday, the bureau said. This weather pattern is due to a cyclonic circulation over northeast Assam and southerly winds prevailing from the Bay of Bengal to northeastern States, IMD said. Severe heatwave conditions are likely in isolated pockets of Uttar Pradesh between Tuesday and Friday, and over Bihar and Gangetic West Bengal till Wednesday, the weather department said. The maximum temperature recorded in the country on Sunday was 45.9 degrees Celsius at Prayagraj in Uttar Pradesh. During the last 24 hours, pockets in Sub-Himalayan West Bengal and Sikkim received extremely heavy rainfall, the weather agency said.

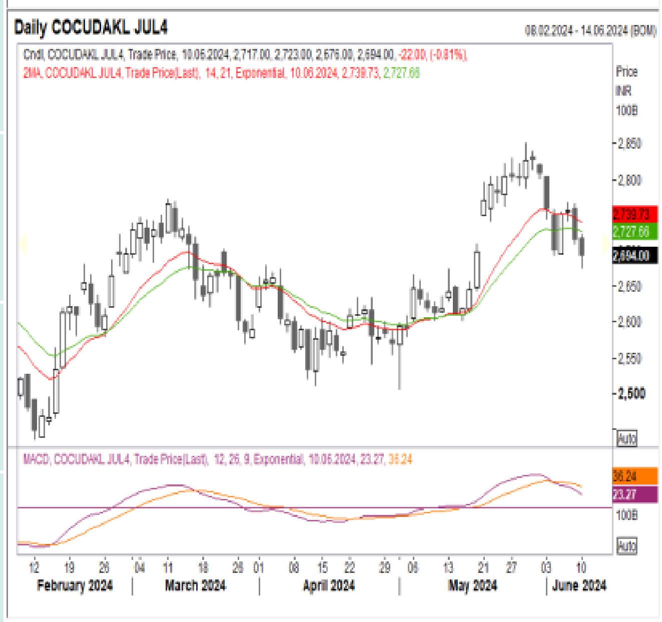
- The government's wheat stocks with Food Corp of India were down nearly 5% on year but up 15% on month at 29.9 mln tn as of Jun 1, data from the nodal food procurement agency showed. This is the lowest wheat stock level for Jun 1 since 2008. The buffer norm for wheat stocks for the Apr-Jun period is 7.46 mln tn--operational stock of 4.46 mln tn and strategic reserve of 3 mln tn. The government sets the buffer requirement of food grains for every quarter and the Food Corp has to maintain the mandated level. For the Jul-Sep quarter, the mandated buffer norm for wheat is 27.58 mln tn--operational stock of 24.58 mln tn and strategic reserve of 3 mln tn. A month-on-month rise of 15% was due to the government's wheat procurement for 2024-25 (Apr-Mar). As of May 24, the government's wheat purchases for the 2024-25 rabi marketing season were at 26.25 mln tn, up from 26.20 mln tn a year ago. This was due to active participation by the states in buying the staple grain. For the 2023-24 (Jul-Jun) season, India is likely to harvest 112.9 mln tn of wheat, higher than last year's output of 110.6 mln tn, according to the government's third advance estimate. The government has slightly raised the wheat output estimate from its second advance estimate of 112.1 mln tn. However, agricultural research firm Agriwatch has a conservative estimate of 105.8 mln tn. The International Grain Council pegged India's wheat output at 108 mln tn in its monthly report.

- Production of crude palm oil in Malaysia rose 13.5% on month to 1.70 mln tn in May, according to preliminary data from the Malaysian Palm Oil Board. Exports of palm oil in May rose 11.7% on month to 1.38 mln tn, while biodiesel exports fell 40.9% on month to 20,880 tn, the data showed. Palm oil is also used to make biofuel. Total stocks of palm oil in the country rose slightly by 0.5% in the month to 1.75 mln tn at the end of May. Malaysia is the world's second-largest producer of crude palm oil, and India is the largest consumer of edible oils.

- The water level across India's 150 primary reservoirs was 39.765 bcm as of Thursday, down 21% from a year ago and 7% from the average of the past 10 years, said the Central Water Commission. The current water level is 22% of the total live storage capacity of these reservoirs. Of 150 reservoirs, the water level in 129 reservoirs was 40% and below, while that in 10 reservoirs was in a range of 41-50%. The condition is seen worse in western, central and southern regions. In the western region, which includes Gujarat and Maharashtra, the water level as of today is 23% of the live storage capacity compared with 25% a year ago. Of 49 reservoirs in both states, 44 have recorded water levels of 40% or below. Similarly, in the southern region of the country, the water level is 13% of the live storage capacity, compared with 23% in the year-ago period. The southern region consists of 42 reservoirs spread over five states. Of these, 37 have recorded water level at 40% or below as of today. Water level in the central region is 27.7% of the total storage capacity, compared to 35% a year ago. Of 26 reservoirs in the central region, the water level in 24 reservoirs is 40% or below, in one 41-50%, while in another it is in a range of 51-60%, the report showed. Conditions in the northern region are worse, as of the 10 reservoirs in this region, eight saw water storage at 40% or below, while two have storage from 41-50%. Water level in this region is 30% of live storage capacity, against 39% a year ago. The situation in the eastern region is comparatively better than other regions, as out of 23 reservoirs, one has 91-99% storage levels, three have water levels ranging from 61-70%, while one has water levels ranging from 81-90% and another has levels ranging from 71-80%. However, of 23 total reservoirs, water levels in 16 are 40% or below. The water level in the eastern parts of the country is 24.6% of the total live storage capacity against 21% in the corresponding period a year ago.

TECHNICAL VIEW

JEERA NCDEX JUL	Unless 28900 is breached convincingly upside, may trade sideways to weak.
DHANIYA NCDEX JUL	Choppy to weak trades expected unless 7570 is breached convincingly upside.
TURMERIC NCDEX AUG	May vary inside 18600-17200 ranges.
COCU-DAKL NCDEX JUL	While there prevails a weak bias, pull-backs to 2715-2730 ranges may not be ruled out.
KAPAS NCDEX APR25	Pullbacks to 1568-1572 ranges may not be ruled out even as there prevails a weak bias.
COTTON CANDY MCX JUL	Choppy moves expected.
CASTOR NCDEX JUL	May vary inside 5840-5680 ranges.
GUAR-SEED NCDEX JUL	Choppy to weak trades expected unless 5460 is breached convincingly upside.
GUARGUM NCDEX JUL	Choppy to weak trades expected unless 10720 is breached convincingly upside.
SUNOIL NCDEX JUN	May tick higher as long as support at 910 ranges hold downside.



TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA JUL4	NCDEX	27800	27810	26930	27405	26073	26502	26953	27382	27833	28262	28713
TMCFGRNZM AUG4	NCDEX	17890	18150	17550	17662	16825	17187	17425	17787	18025	18387	18625
DHANIYA JUL4	NCDEX	7460	7472	7384	7410	7284	7334	7372	7422	7460	7510	7548
CASTORSEED JUL4	NCDEX	5788	5800	5757	5761	5702	5757	5745	5773	5788	5816	5831
GUARSEED10 JUL4	NCDEX	5409	5424	5388	5396	5345	5367	5381	5403	5417	5439	5453
GUARGUM5 JUL4	NCDEX	10570	10620	10510	10536	10381	10445	10491	10555	10601	10665	10711
MENTHAOIL JUN4	MCX	913.2	918.8	909.4	910.0	897	903	907	913	916	922	925
COCUDAKL JUL4	NCDEX	2717	2723	2676	2694	2625	2651	2672	2698	2719	2745	2766
KAPAS APR5	NCDEX	1565.5	1572.0	1561.0	1564.0	1548	1555	1559	1566	1570	1577	1581
COTTONCNDY JUL4	MCX	56800	56800	56800	56800	56800	56800	56800	56800	56800	56800	56800
SUNOIL JUN4	NCDEX	919	932	919	927	907	913	920	926	933	939	946

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 JUL4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	2.58%	40.9%
TMCFGRNZM AUG4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	2.35%	37.2%
DHANIYA JUL4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	1.08%	17.1%
GUARSEED10 JUL4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.72%	11.5%
GUARGUM5 JUL4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.82%	13.0%
CASTORSEED JUL4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.62%	9.9%
KAPAS APR5	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.48%	7.6%
COTTONCNDY JUL4	MCX	NEGATIVE	POSITIVE	POSITIVE	Neutral	Weak	0.81%	12.8%
COCUDAKL JUL4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	1.12%	17.8%
MENTHAOIL JUN4	MCX	NEGATIVE	POSITIVE	NEGATIVE	Neutral	Strong	1.23%	19.5%
SUNOIL JUN4	MCX	POSITIVE	POSITIVE	POSITIVE	Overbought	Strong	0.74%	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 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.

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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