AGRI PICKS

A Daily Report on Agriculture Commodities

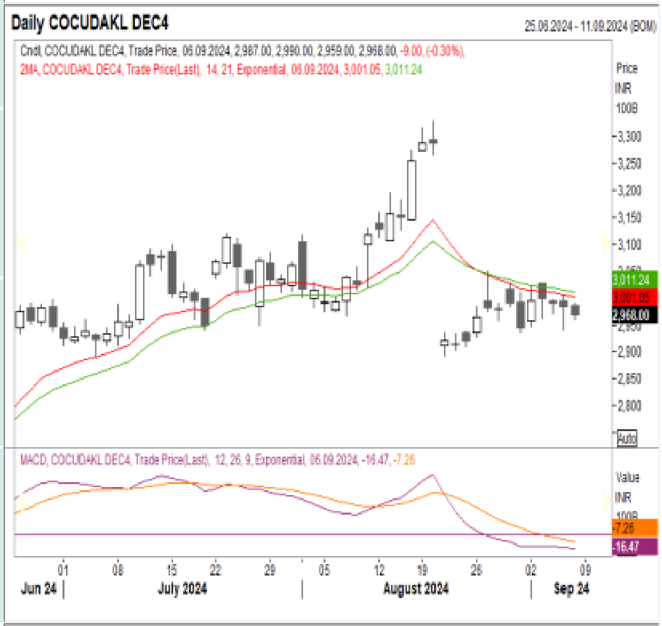
09 Sep 2024

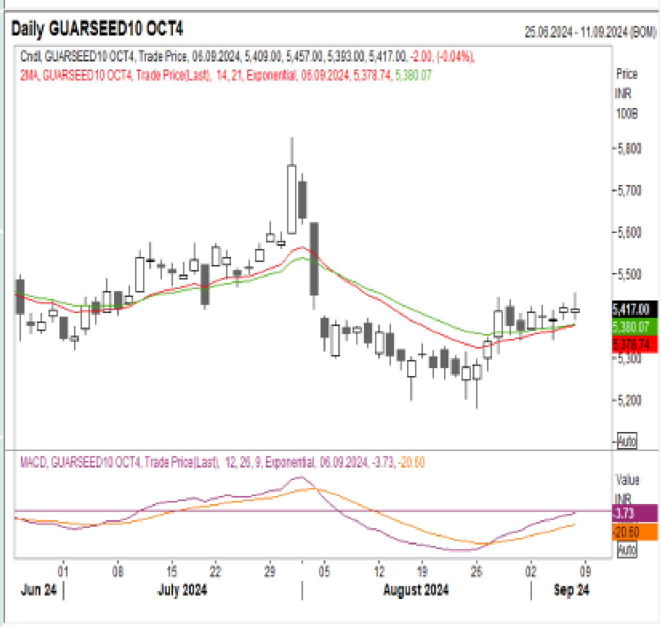
MARKET NEWS/UPDATES

- Above normal showers so far during the southwest monsoon have helped restore water levels in most reservoirs of the country. The data from the Central Water Commission released on Friday showed that 25 out of 155 reservoirs have reported 100% live water levels and 16 are in west India. Of the total of 50 reservoirs in west India – Gujarat, Goa, and Maharashtra – 33 have reported more than 91% of live water levels in the week to Thursday. Moving to the southern part of the country, four out of 43 reservoirs have 100% water levels and 17 have reported levels in the range of 91-99% of capacity, the data showed. In the central region, 11 out of 26 reservoirs have reported more than 91% of live water levels, the data showed. The water level in the western region was 32.073 bcm, 86% of the live storage capacity, against 71% a year ago. In the central region, the water level was 41.386 bcm, 86% of the live storage capacity, against 71% a year ago. In the southern region, the water level was 47.366 bcm, 87% of the live storage capacity compared with 48% a year ago. Extremely heavy rainfall in the aforementioned regions during the last two weeks has helped restore water in reservoirs. As of Thursday, Gujarat received 50% above normal rainfall at 930.6 mm, while the India Meteorological Department has termed rainfall in the Saurashtra and Kutch region of the state as large excess. This region received 84% above normal showers at 856.3 mm, data from the weather department showed. Similarly, parts of Telangana and Andhra Pradesh have received above normal showers during the week, which has helped restore water in the main reservoirs. During summer, seven reservoirs in the southern region had gone dry due to the erratic monsoon last year and more than normal heatwave days in the country. The above normal rains have so far helped to increase the water levels in key reservoirs in the region and only two of 43 reservoirs have 40% or below the live storage water level, the data showed. As of Thursday, the southern peninsula received 26% above normal showers at 731.0 mm, data from the weather agency showed. The water level in 155 key reservoirs of the country as of Thursday was 147.337 bcm, 81% of the total live storage capacity of 180.852 bcm, according to data from the Central Water Commission. The current water storage is up 31% from a year ago and 18% from the average for the past 10 years. The overall storage position is better than the corresponding period of last year in the country as a whole and is also better than the past 10 years storage during the corresponding period, the report said. Meanwhile, the water level in the reservoirs in the northern region was 12.598 bcm, 64% of the live storage capacity, compared with 82% a year ago. In the eastern region, the water level was 13.914 bcm, 67% of the live storage capacity against 45% a year ago. Since Jun 1, India has received 792.5 mm of rainfall, 8% above the normal of 734.8 mm for the period, according to the India Meteorological Department.
- Farmers in Rajasthan have sown kharif crops over 16 mln ha as of Wednesday, down nearly 2% from 16.3 mln ha sown in the corresponding period last year, according to final sowing data for the season released by the state's agricultural department. The current target set for sowing of kharif crops is 16.5 mln ha, of which nearly 97% has been covered in the state, the data showed. Kharif crops are sown at the start of the southwest monsoon in June and harvested around the end of October. Maize, bajra, soybean, and guar are amongs the important kharif crops in Rajasthan. The area sown under total pulses as of Wednesday was 3.7 mln ha, up from 3.5 mln ha a year ago, the report said. Under pulses, the acreage under moong was 2.3 mln ha, up from 2.2 mln ha last year. The acreage under total cereals so far fell to 6.3 mln ha from 6.4 mln ha a year ago, the report said. Under cereals, the acreage under bajra was 4.3 mln ha, down from 4.5 mln ha a year ago. The area sown under maize rose to 971,190 ha from 942,150 ha last year. The area sown under all oilseeds as of Wednesday was 2.36 mln ha against 2.43 mln ha a year ago, the report showed. Under oilseeds, the acreage under soybean fell to 1.12 mln ha from 1.14 mln ha last year. Similarly, the acreage under groundnut fell to 854,980 ha from 869,220 ha a year ago. The acreage under cotton fell to 519,530 ha from 790,810 ha in the same period last year. The acreage under guar, another major crop in the state, fell to 2.7 mln ha from 2.8 mln ha a year ago, according to the data.
- The Cotton Association of India today said it has retained the country's production estimate for 2023-24 (Oct-Sep) at 31.8 mln bales (1 bale = 170 kg). The association updates its estimates almost every month, based on information received from its members in 11 cotton-growing states and other trade sources. The association will meet on Sep 11 to discuss cotton production, consumption, exports, and imports, it added. As of Jul 31, mills across India pressed 31.4 mln bales, the Cotton Association said in a release. The total cotton supply in the country is pegged at 35.1 mln bales, with imports at 800,000 bales, it said. Cotton production in the north zone, which comprises Punjab, Haryana, and Rajasthan, is estimated at 4.6 mln bales, up 300,000 bales from last year. As of Jul 31, the region had produced 4.54 mln bales of cotton. The estimate for the central zone, which comprises Gujarat, Maharashtra, and Madhya Pradesh, is 19.3 mln bales, down from 19.5 mln bales last year. As of Jul 31, 19.4 mln bales of cotton had been produced in this zone. The estimate for the south zone is 7.3 mln bales compared to 7.5 mln bales last year. The zone has produced 6.9 mln bales of cotton as of Jul 31. 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 36.3 mln bales, up from 35.5 mln bales a year ago. The association has estimated imports in 2023-24 at 1.64 mln bales, higher than the 1.25 mln bales imported in 2022-23. The association has estimated domestic demand in 2023-24 at 31.7 mln bales, up from 31.1 mln bales the previous year. It has pegged exports at 2.6 mln bales, up from 1.6 mln bales in the previous cotton season. Consumption till Jul 31 is estimated at 26.7 mln bales.
- The UN Food and Agriculture Organization's food price index fell to 120.7 points in August from 120.8 a month ago as a decrease in prices sugar, meat, and cereals outweighed increases in those for vegetable oils and dairy products. The food price index in August was 1.1% lower than a year ago and 24.7% below its peak of 160.3 points touched in March 2022, FAO said in a report. The cereal price index averaged 110.1 points in August, down 0.5% from a month ago and 11.9% from a year ago. Global wheat export prices fell amid sluggish international demand and strong competition among exporters, especially from competitively priced Black Sea supplies, the report said. The vegetable oil price index rose 0.8% on month to 136.0 points in August, the highest level since January 2023. Higher global quotations for palm oil more than offset lower soybean, sunflower, and rapeseed oil quotations, the report said. The global palm oil prices rose for the third consecutive month on lower output. The dairy price index was 130.6 points in August, up 2.2% on month and 14.2% on year, the agency said. The sugar price index fell 4.7% on month and 23.2% on year to 113.9 points in August, the lowest level since October 2022. Prices fell amid improving production outlook for Thailand.

TECHNICAL VIEW

JEERA NCDEX OCT	Choppy to weak trades expected. A direct voluminous rise above 25400 may improve sentiments for the day.
DHANIYA NCDEX OCT	May trade sideways to weak unless 7210 is breached convincingly upside.
TURMERIC NCDEX OCT	May inch up. However, a direct fall below 13800 accompanied by considerable volume may call for more downside correction.
COCUDAKL NCDEX DEC	May vary inside 2920-3030 ranges.
KAPAS NCDEX APR25	May trade sideways to weak unless 1638 is breached convincingly upside. A direct voluminous rise above the same may call for 1645/1660 or even more.
COTTON CANDY MCX SEP	Choppy moves expected
CASTOR NCDEX OCT	A rise above 6250 or a fall past 6120 may lend fresh direction for the day.
GUARSEED NCDEX OCT	Dips to 5385/5350 ranges may not be ruled out. A direct voluminous rise above 5460 may call for 5490-5510 or even more.
GUARGUM NCDEX OCT	Unless 10800 range is breached convincingly upside, may trade sideways to weak.
SUNOIL NCDEX SEP	Choppy to weak trades expected.





TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA OCT4	NCDEX	25100	25275	24750	25075	24267	24508	24792	25033	25317	25558	25842
TMCFGRNZM OCT4	NCDEX	14340	14340	13850	14014	13306	13578	13796	14068	14286	14558	14776
DHANIYA OCT4	NCDEX	7036	7036	6930	6962	6810	6870	6916	6976	7022	7082	7128
CASTORSEED OCT4	NCDEX	6175	6196	6140	6174	6088	6140	6144	6170	6200	6226	6256
GUARSEED10 OCT4	NCDEX	5409	5457	5393	5417	5324	5358	5388	5422	5452	5486	5516
GUARGUM5 OCT4	NCDEX	10670	10764	10601	10655	10420	10510	10583	10673	10746	10836	10909
MENTHAOIL SEP4	MCX	959.9	961.7	948.2	960.0	938	943	952	957	965	970	979
COCUDAKL DEC4	NCDEX	2987	2990	2959	2968	2924	2941	2955	2972	2986	3003	3017
KAPAS APR5	NCDEX	1636.0	1636.0	1618.0	1621.5	1596	1607	1614	1625	1632	1643	1650
COTTONCNDY SEP4	MCX	59110	59110	59000	59040	58880	58940	58990	59050	59100	59160	59210
SUNOIL SEP4	NCDEX	945	947	942	946	938	940	943	945	948	950	953

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 OCT4	NCDEX	NEGATIVE	POSITIVE	NEGATIVE	Neutral	Strong	1.21%	19.2%
TMCFGRNZM OCT4	NCDEX	FLAT/CHOPPY	POSITIVE	NEGATIVE	Neutral	Strong	2.23%	35.3%
DHANIYA OCT4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.90%	14.3%
GUARSEED10 OCT4	NCDEX	FLAT/CHOPPY	POSITIVE	POSITIVE	Neutral	Strong	1.13%	18.0%
GUARGUM5 OCT4	NCDEX	FLAT/CHOPPY	POSITIVE	POSITIVE	Neutral	Strong	1.47%	23.3%
CASTORSEED OCT4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.51%	8.0%
KAPAS APR5	NCDEX	NEGATIVE	NEGATIVE	POSITIVE	Neutral	Strong	0.93%	14.8%
COTTONCNDY SEP4	MCX	NEGATIVE	POSITIVE	POSITIVE	Overbought	Weak	0.65%	10.3%
COCUDAKL DEC4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	2.38%	37.8%
MENTHAOIL SEP4	MCX	FLAT/CHOPPY	NEGATIVE	NEGATIVE	Neutral	Strong	1.17%	18.5%
SUNOIL SEP4	MCX	POSITIVE	POSITIVE	POSITIVE	Overbought	Strong	0.59%	9.4%

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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