

MARKET NEWS/UPDATES

- India's vegetable oil imports fell 28% on year to 1.2 mln tn in January from 1.6 mln tn last year, the Solvent Extractors' Association of India said today. India is the world's largest importer of edible oils. The vegetable oil basket consists of edible and non-edible oils. India's edible oil imports in January fell by a sharp 28.3% to around 1.19 mln tn from 1.66 mln tn a year ago. "Prices of edible oils, which are currently low, may go up this year on lower production, global economic issues and supply constraints," the release said. Some of the oils in the non-edible oils import basket are palm fatty acid distillate, crude palm kernel oil, chlorinated paraffins. India's crude palm imports fell 18.3% on year to 532,877 tn in January from 651,913 tn last year. "The availability of palm oil for edible oil requirements has come down as the main two producers Malaysia and Indonesia, are diverting it for the production of biodiesel, this could result in an increase in prices this year. World production of palm oil will be seasonally low in Jan-Mar 2024, enforcing a reduction of stocks both in production and importing countries," SEA said in the release. The edible oil import basket comprises crude and refined palm oils, crude soyoil, and sunflower oil. In the Nov-Jan 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 Feb 1, total stock of edible oil available was estimated at 2.65 mln tn against 3.41 mln tn a year ago. Of the 2.65 mln tn, about 854,000 tn of edible oil was at ports and around 1.80 mln tn in the pipeline, the Solvent Extractors' Association of India said.
- India's soymeal exports rose 34.2% on year in January to 200,000 tn, the Soybean Processors Association of India said on Saturday. For Oct-Jan, soymeal exports increased to 609,000 tn from 568,000 tn a year ago, SOPA said. In January, production of soymeal fell to 789,000 tn from 918,000 tn a year ago. The output in Oct-Jan fell to 3.4 mln tn from 3.6 mln tn in the year-ago period, SOPA said. Soybean, a kharif oilseed, is sown during Jun-Jul. "The prospects for the export of soybean meal in the remaining period of this marketing year look slightly pessimistic as we are out-priced in the international market. We have, therefore, reduced the projected export of meal from 1.8 mln tn to 1.4 mln tn for the period October 2023 to September 2024," it said. Soybean arrivals in spot markets were at 1 mln tn in January, down from 1.1 mln tn last year. However, during Oct-Jan, arrivals rose to 6.2 mln tn from 6.1 mln tn in the year-ago period. By the end of January, plants, traders, and farmers were left with around 8.7 mln tn of soybean stock, the association said. Soymeal is primarily used as poultry and livestock feed. Indian soymeal is non-genetically modified and considered rich in protein.
- Farmers in the country have sown summer crops across 1.05 mln ha as of today, up 9.9% from a year ago, data from the agriculture ministry showed. However, acreage of pulses, groundnut, and maize decreased on year. Rice acreage rose 13.1% on year to 873,000 ha and the area under oilseeds was up 1.0% on year to 100,000 ha. Area under groundnut, the major oilseed sown in summer, fell 1.2% to 85,000 ha, but that for sunflower and sesamum rose 20% and 28.6% on year to 4,000 ha and 9,000 ha, respectively. Farmers have sown coarse cereals across 57,000 ha, down from 58,000 ha a year ago. Acreage under pulses also saw a decline to 28,000 ha to 31,000 ha.
- The National Commodity and Derivatives Exchange has designated Jalgaon in Maharashtra as an additional delivery centre for contracts of 29mm cotton expiring in March and thereafter, it said in a circular. This will be in addition to the existing additional delivery centres of Kadi in Gujarat and Akola in Maharashtra, it said. The main delivery centre will continue to be at Rajkot in Gujarat. Other specifications for cotton contracts on the exchange remain unchanged, the exchange circular said.
- The National Commodity and Derivatives Exchange is considering launching options on futures in a few spices and other commodities. These commodities currently have options on goods contracts but are being phased out by the commodity derivatives exchange where agricultural commodities constitute a bulk of trading volume. "NCDEX is working to explore offering Options on Futures in a few commodities in the next few months," an official spokesperson at the exchange told Informist. But he did not specify on which commodities the options on futures contracts will be launched. The options on goods contracts on a commodity are benchmarked to the spot price of the underlying commodity, whereas options on futures contracts are linked to the futures prices of the commodity. The settlement is delivery-based for options on goods contracts while the options on futures contracts are cash settled. The jump in trading volume on options on futures contracts in crude oil and natural gas on the Multi Commodity Exchange in the last one year led the commodity derivatives brokers to seek similar contracts in agricultural commodities on the NCDEX. The exchange already provides options trading in a few commodities but these contracts are options on goods. However, at the end of January, NCDEX announced that it was discontinuing options on goods contracts in guar seed, guar gum, maize, coriander, jeera, and turmeric. The exchange said that it will not introduce new expiries in respect of the options on goods contracts on these six agricultural commodities. These six options on goods contracts "were largely illiquid". According to a source in the commodity broking business, the commodities on which NCDEX is considering introducing options on futures contracts will be among the six agricultural commodities where the options on goods contracts are being discontinued. The exchange will, however, have to comply with norms on introduction of new commodity derivatives contracts laid down by the Securities and Exchange Board of India. As per the market regulator's norms, options on futures are permitted only if the average daily turnover of underlying futures contracts of the corresponding commodity during the previous 12 months is 2 bln rupees for agricultural and agri-processed commodities, and 10 bln rupees for other commodities. Currently, on NCDEX, the daily futures turnover is higher than 2 bln rupees only on select agricultural commodities. For instance, in jeera futures on the NCDEX, the average daily turnover was 1.6 bln rupees in Feb-Jan, which meant it didn't meet the regulatory requirement for the launch of an options on futures contract on it. But in guar gum futures, the average daily turnover was 2.04 bln rupees and in guar seed was 2.31 bln rupees, and would therefore be eligible for launching options on futures contracts.
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TECHNICAL VIEW

JEERA NCDEX MAR	Choppy to weak trades expected unless 27800 is breached convincingly upside.	
DHANIYA NCDEX APR	7510 is the immediate support, which if held downside may call for a bounce up. Else expect weakness to continue.	
TURMERIC NCDEX APR	Pullbacks to 14930/15060 may not be ruled out. Sustained trades below 14500 may call for 14260 or more.	
COCU- DAKL NCDEX MAR	While there exist weakness, pullbacks to 2465/2485 may not be ruled out.	
COTTON CANDY MCX FEB	Choppy moves expected.	
KAPAS NCDEX APR24	May trade sideways to weak unless 1500 is breached convincingly upside.	
CASTOR NCDEX MAR	A rise above 5680 or a fall past 5540 may lend fresh direction for the day.	
GUAR- SEED NCDEX MAR	Pullbacks to 5425/5460 ranges may not be ruled out even as there prevails as weak bias.	
GUARGUM NCDEX MAR	Pullbacks to 10090/10240 ranges may not be ruled out even as there prevails a weak bias.	
SUNOIL NCDEX FEB	A voluminous rise above 852 or a fall past 830 may lend fresh direction for the day.	



TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA MAR4	NCDEX	27100	27100	26300	26520	25380	25840	26180	26640	26980	27440	27780
TMCFGRNZM APR4	NCDEX	15000	15168	14400	14712	13584	13992	14352	14760	15120	15528	15888
DHANIYA APR4	NCDEX	7702	7702	7510	7560	7287	7399	7479	7591	7671	7783	7863
CASTORSEED MAR4	NCDEX	5595	5614	5578	5605	5548	5578	5584	5599	5620	5635	5656
GUARSEED10 MAR4	NCDEX	5265	5270	5182	5220	5090	5136	5178	5224	5266	5312	5354
GUARGUM5 MAR4	NCDEX	10150	10161	9920	10034	9675	9797	9916	10038	10157	10279	10398
MENTHAOIL FEB4	MCX	903.4	903.4	888.1	890.5	869	879	885	894	900	909	915
COCUDAKL MAR4	NCDEX	2491	2491	2436	2451	2373	2404	2428	2459	2483	2514	2538
KAPAS APR4	NCDEX	1482.0	1488.0	1478.5	1481.0	1468	1473	1477	1483	1487	1492	1496
COTTONCNDY MAR4	MCX	58960	58960	58300	58440	57513	57907	58173	58567	58833	59227	59493
SUNOIL FEB4	NCDEX	841	843	840	842	837	839	840	842	843	845	846

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	Neutral	Strong	3.92%	62.3%
TMCFGRNZM APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	3.10%	49.2%
DHANIYA APR4	NCDEX	NEGATIVE	NEGATIVE	POSITIVE	Neutral	Strong	3.22%	51.1%
GUARSEED10 MAR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.99%	15.8%
GUARGUM5 MAR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	1.44%	22.8%
CASTORSEED MAR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.59%	9.3%
KAPAS APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.43%	6.8%
COTTONCNDY MAR4	MCX	FLAT/CHOPPY	POSITIVE	POSITIVE	Overbought	Weak	0.88%	14.0%
COCUDAKL MAR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	1.11%	17.7%
MENTHAOIL FEB4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	0.86%	13.7%
SUNOIL JAN4	MCX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.93%	14.7%

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%	> 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



Strong bias or bullish



Weak bias or bearish



Mild bullish bias



Mild bearish bias



Choppy or Sideways



Choppy with positive note



Choppy with negative note

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