

### MARKET NEWS/UPDATES

- The Cotton Association of India has estimated the country's cotton output in 2023-24 (Oct-Sep) at 29.4 mln bales (1 bale = 170 kg), unchanged from last month's projection, according to a release. The estimated cotton production in the current year is 8% lower than the 31.9 mln bales produced last year, the lowest output in 15 years, owing to a drop in acreage and El Nino-induced dry spells in Aug-Sep, according to the association. The association updates its estimates almost every month, based on information received from members of associations in 11 cotton-growing states and other trade sources. Production of cotton in the north zone, which comprises Punjab, Haryana, and Rajasthan, is estimated at 4.2 mln bales, down 100,000 bales from last year. As of Dec 31, 2.8 mln bales of cotton had been produced in this zone. The estimate for the central zone, which comprises Gujarat, Maharashtra, and Madhya Pradesh, is also down at 17.9 mln bales from 19.5 mln bales last year. As of Dec 31, 5.7 mln bales of cotton had been produced in this zone. The estimate for the south zone is also seen lower at 6.7 mln bales from 7.5 mln bales last year. As of Dec 31, 3.09 mln bales of cotton were produced in this zone. 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 34.5 mln bales, down from 35.5 mln bales a year ago. The association has estimated imports in 2023-24 at 2.2 mln bales, higher than the 1.25 mln bales imported in 2022-23. Additionally, total supply till the end of Dec 2023 is estimated at 14.9 mln bales. The estimated cotton supply for 2023-24 consists of the opening stock of 2.9 mln bales, cotton output for the season estimated at 29.4 mln bales, and imports for the season estimated at 2.2 mln bales. The association has estimated the domestic consumption, surplus available, and exports at 31.1 mln bales, 3.4 mln bales, and 1.4 mln bales, respectively, the same as the previous month's estimates. Until Dec 31 the consumption is estimated at 8.1 mln bales.
- The National Commodity and Derivatives Exchange Ltd has removed the 2% additional surveillance margin on all turmeric contracts effective from Thursday, it said in a circular. The exchange has reintroduced the additional surveillance margin of 2.5% on jeera and jeera mini contracts effective from Thursday, it said in another circular. This change in the additional margin will be applicable to all running contracts and yet-to-be launched jeera contracts till Feb 1. On Tuesday, the exchange had cut the 2% surveillance margin on jeera contracts. The increased volatility in jeera prices has triggered the reintroduction of the margin, the exchange said.
- Farmers in Telangana have sown rabi crops over 2.62 mln acres as of Wednesday, slightly higher than 2.59 mln acres a year ago, according to data from the state government. One acre is about 0.40 ha. So far, 48% of the normal rabi crop area of 5.5 mln acres in the state has been covered, the data showed. The area under pulses fell 24% on year to 282,804 acres. Acreage of Bengal gram, which constitutes 87% of the pulses, was down nearly 25% on year at 244,866 acres. For the ongoing rabi season, the normal acreage for pulses is 4.21 mln acres. Maize, Bengal gram, jowar, and groundnut are the main rabi crops grown in the state. Paddy sowing rose 5% on year to 1.64 mln acres from 1.57 mln acres. The season's normal acreage for the crop is 4.05 mln acres. Telangana did not receive rainfall in winter and so far the cumulative rainfall in the year has been normal at 7.15 mm, the data showed. The area under coarse grains rose 15% on year to 423,531 acres. The acreage of maize, the key rabi crop in the state, rose to 352,433 acres from 309,550 acres and accounted for 83% of the area under coarse grains. The season's normal area for maize is 511,521 acres, as per the data. The area under food grains rose to 2.35 mln acres from 2.31 mln acres a year ago. Oilseed acreage was at 216,016 acres, down from 237,379 acres a year ago. Groundnuts accounted for 89% of the oilseed acreage at 191,434 acres, down from 204,678 acres a year ago. The normal area for oilseeds in the season is 371,037 acres. The water level in major reservoirs in the state as of Wednesday was 391.74 bln cu ft, down from 664.56 bln cu ft a year ago, according to government data.
- Production of crude palm oil in Malaysia fell 13.3% on month to 1.55 mln tn in December, according to preliminary data from the Malaysian Palm Oil Board. Exports of palm oil in December fell 5.1% on month to 1.33 mln tn. Biodiesel exports fell 0.7% on month to 17,834 tn, the data showed. Palm oil is also used to make biofuel. Total stocks of palm oil in the country fell 4.6% on month to 2.29 mln tn in December. Malaysia is the world's second-largest producer of crude palm oil, and India is the largest consumer of edible oils.
- Farmers in Andhra Pradesh have sown rabi crops over 856,000 ha as of Jan 3, down 27% from 1.18 mln ha a year ago, according to state government data. So far, 37% of the targeted rabi crop area of 2.3 mln ha in the state has been covered, the data showed. Acreage of black gram, also known as urad, was down at 151,000 ha from 219,000 ha a year ago, the data showed. The area under bengal gram was down 29% on year at 238,000 ha from 337,000 ha last year, the data showed. The area under pulses was down 29% on year at 444,000 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 166,000 ha as of Jan 3, down from 278,000 ha in the previous year. The targeted area for the crop is 820,000 ha in the current season. Jowar's acreage was up at 57,000 ha from 39,000 ha a year ago, data showed. The area under food grains was down at 745,000 ha from 1.05 ha a year ago, and coarse grain cultivation was at 135,000 ha, down from 154,000 mln ha in the previous year. Oilseed acreage fell to 52,000 ha from 74,000 ha a year ago, according to the report. The target for oilseeds is 142,000 ha for the current season. Sowing for rabi crops is under progress in the state and farmers are taking up land preparation, according to the state government's report. The water level in major reservoirs in the state as of Jan 3 was 278.14 bln cu ft, down from 634.52 bln cu ft a year ago, according to government data.
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TECHNICAL VIEW

Commodity	Analysis	Signal	Technical Chart
<p><b>JEERA NCDEX MAR</b></p>	<p>Choppy to weak trades expected. An unexpected rise above 27700 may set in some short-covering moves.</p>		<p><b>Daily JEERAUNJHA MAR4</b></p> 
<p><b>DHANIYA NCDEX APR</b></p>	<p>Unless 8050 is breached convincingly upside, may trade sideways to weak. A voluminous fall past 7580 could call for more downsides.</p>		<p><b>Daily JEERAUNJHA MAR4</b></p> 
<p><b>TURMERIC NCDEX APR</b></p>	<p>A rise above 13500 or a fall past 12800 may lend fresh direction for the day.</p>		<p><b>Daily COCUDAKL FEB4</b></p> 
<p><b>COCU-DAKL NCDEX FEB</b></p>	<p>2690 is the immediate support and slip-page past the same may see weakness intensifying. Else may hold the same for a bounce up.</p>		<p><b>Daily COCUDAKL FEB4</b></p> 
<p><b>COTTON CANDY MCX JAN</b></p>	<p>Choppy moves expected.</p>		<p><b>Daily GUARSEED10 FEB4</b></p> 
<p><b>KAPAS NCDEX APR24</b></p>	<p>Pullbacks to 1538/1545 ranges may not be ruled out. However, a direct voluminous fall past 1522 could intensify weakness.</p>		<p><b>Daily GUARSEED10 FEB4</b></p> 
<p><b>CASTOR NCDEX FEB</b></p>	<p>Higher level selling likely unless 5750 is breached convincingly upside.</p>		<p><b>Daily GUARSEED10 FEB4</b></p> 
<p><b>GUAR-SEED NCDEX FEB</b></p>	<p>5390 is the immediate support and a direct voluminous fall past the same may intensify weakness. On the upside a direct rise above 5525 could call for more upsides.</p>		<p><b>Daily GUARSEED10 FEB4</b></p> 
<p><b>GUARGUM NCDEX FEB</b></p>	<p>A voluminous rise above 10800 required for sentiments to improve. Inability to clear the same may call for sideways to weak trades.</p>		<p><b>Daily GUARSEED10 FEB4</b></p> 
<p><b>SUNOIL NCDEX JAN</b></p>	<p>May trade sideways unless 852 is breached convincingly upside.</p>		<p><b>Daily GUARSEED10 FEB4</b></p> 

## TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA MAR4	NCDEX	26600	27000	26225	26640	25468	25847	26243	26622	27018	27397	27793
TMCFGRNZM APR4	NCDEX	13284	13300	12966	13068	12589	12777	12923	13111	13257	13445	13591
DHANIYA APR4	NCDEX	7774	7880	7720	7740	7520	7620	7680	7780	7840	7940	8000
CASTORSEED FEB4	NCDEX	5590	5644	5584	5630	5535	5584	5595	5619	5655	5679	5715
GUARSEED10 FEB4	NCDEX	5437	5471	5407	5460	5357	5382	5421	5446	5485	5510	5549
GUARGUM5 FEB4	NCDEX	10615	10670	10499	10625	10355	10427	10526	10598	10697	10769	10868
MENTHAOIL JAN4	MCX	927.4	927.4	922.5	924.5	917	920	922	925	927	930	932
COCUDAKL FEB4	NCDEX	2715	2717	2691	2699	2662	2676	2688	2702	2714	2728	2740
KAPAS APR4	NCDEX	1529.0	1533.0	1522.5	1529.5	1513	1518	1524	1528	1534	1539	1545
COTTONCNDY JAN4	MCX	55520	55520	55360	55360	55147	55253	55307	55413	55467	55573	55627
SUNOIL JAN4	NCDEX	845	851	845	849	840	842	846	848	852	854	858

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	FLAT/CHOPPY	NEGATIVE	NEGATIVE	Oversold	Strong	4.20%	66.6%
TMCFGRNZM APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	1.86%	29.6%
DHANIYA APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	3.12%	49.6%
GUARSEED10 FEB4	NCDEX	POSITIVE	POSITIVE	NEGATIVE	Neutral	Strong	1.13%	18.0%
GUARGUM5 FEB4	NCDEX	POSITIVE	NEGATIVE	NEGATIVE	Neutral	Strong	1.62%	25.7%
CASTORSEED FEB4	NCDEX	FLAT/CHOPPY	NEGATIVE	NEGATIVE	Neutral	Strong	0.73%	11.6%
KAPAS APR4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	0.43%	6.8%
COTTONCNDY JAN4	MCX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.69%	11.0%
COCUDAKL FEB4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.98%	15.5%
MENTHAOIL JAN4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	0.86%	13.7%
SUNOIL JAN4	MCX	POSITIVE	POSITIVE	POSITIVE	Neutral	Strong	0.67%	10.7%

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



Choppy or Sideways



Mild bearish bias



Choppy with positive note



Choppy with negative note

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