

MARKET NEWS/UPDATES

- Crude palm oil (CPO) prices in 2024 are likely to average at least 11% more than this year as El Nino weather patterns are expected to reduce output in top producer Indonesia, the Indonesian Palm Oil Association (GAPKI) said on Thursday. In 2024, average CPO prices, including cost, freight, and insurance (CIF Rotterdam), could rise to \$1,000 per metric ton from around \$900 in the current year, said Fadhil Hasan, head of foreign affairs division at the association. Reduced supplies of palm oil and competing oils such as sunflower oil - which have been hit by Russia-Ukraine conflict - would support vegetable oil prices, including palm oil, he told reporters on sidelines of a conference. Used in everything from cakes to shampoo to cleaning products, palm oil competes with soyoil, sunflower oil and rapeseed-canola oil, produced mainly by Argentina, Brazil, Russia, Ukraine and Canada. In 2023, Indonesia's CPO production could rise by around 1 million tons from the last year's 46.7 million tons, Hasan said. However, production is expected to decline in 2024, with the extent determined by the intensity of the El Nino weather pattern, he said. "Impact of El Nino is already visible. Temperatures have increased and weather is very dry. We would see the real impact of this weather on palm production next year," he said. El Nino is a warming of Pacific waters that typically produces drier conditions over Asia, curbing the output of some crops such as oil palm, rice and wheat. Though El Nino is reducing rainfall in Indonesia, the effect is less pronounced in Malaysia, the world's second biggest producer, and according to a Malaysian official output there is expected to rise next year.
- The area under kharif crops across the country in the 2023-24 (Jul-Jun) season was at 110.3 mln ha as of Friday, compared with 110.0 mln ha a year ago, according to data from the Department of Agriculture and Farmers Welfare. The acreage of paddy, the key grain in the kharif season, was up 2.7% on year at 41.2 mln ha. Paddy sowing has picked up pace in the last few weeks, aided by rainfall across the country. Central and south peninsular India have received adequate rainfall since the beginning of September, after weak monsoon rains in August. The weather department has projected that rainfall in September will be normal at 91-109% of the long-period average, with normal to above-normal precipitation over east and northeast India and some areas of east-central and south peninsular regions. The area under coarse cereals was at 18.6 mln ha, slightly higher than 18.4 mln ha a year ago, the data showed. The area under oilseeds was down 2% at 19.3 mln ha, while pulses acreage fell 5% to 12.3 mln ha. Sowing of pulses has taken a hit this season because erratic rainfall in key growing regions made farmers shift to more remunerative crops such as soybean and small millets. Soybean acreage in the country was 1% higher on year as of today, according to the data. The area under cotton was down 3% at 12.3 mln ha. Meanwhile, acreage of sugarcane was 8% higher at nearly 6 mln ha as of today, the data showed. There have been concerns that sugarcane production in India may be hit next season, and there will be a shortage of sugar supply from the current season. However, the government has reiterated that the country has adequate stock of sugar to cover domestic demand for more than three months. The country had 8.3 mln tn of sugar stock as of Aug 31, the government said. In its preliminary estimate on Aug 2, the Indian Sugar Mills Association pegged the country's net sugar output in 2023-24 (Oct-Sep) at 31.7 mln tn, down 3.4% from 32.8 mln tn in the ongoing season. As for sunflower, sowing in the current kharif season was lagging by a whopping 65% on year as of today. Major sunflower growing states such as Maharashtra and Karnataka have received deficient rains so far this monsoon season, according to data from the India Meteorological Department. This has taken a major toll on sowing of the crop.
- The acreage in Andhra Pradesh under kharif crops is down 24% on year at 2.3 mln ha in the current kharif season as of last Wednesday, according to the state government data. The area under food grains was 1.5 mln ha, compared with 1.7 mln ha a year ago. Leaf folder disease has affected paddy cultivated over 660 ha in Vizianagaram district, of which 550 ha has been treated, the report said. Coarse grain cultivation was over 155,000 ha compared with 164,000 ha. "Bajra and jowar are at flowering to harvesting stage," the report said. The maize crop has been attacked by fall armyworm pest in Vizianagaram district over 450 ha, of which 410 ha has been treated, it said. Pulses have been sown over 167,000 ha, down from 239,000 ha a year ago. "Redgram is at the vegetative stage, while blackgram and greengram are at pod formation to harvesting stage," the report said. The area under oilseeds, comprising groundnut, soybean, castor, and sunflower, was over 349,000 ha. A year ago, the acreage was 608,000 ha. At 388,000 ha, the area under cotton declined significantly from 647,000 ha a year ago, and sugarcane acreage remained unchanged at 38,000 ha. "Cotton is at flowering to pod formation stage and sugarcane is at vegetative to grand growth stage," it said. Farmers in Andhra Pradesh mainly depend on the southwest monsoon, which set over Kerala on Jun 8 this year against the normal of Jun 1. The average rainfall received in Andhra Pradesh from Jun 1 to Sep 20 was recorded as 419.2 mm, as against the normal of 512.3 mm, according to the India Meteorological Department.
- The area under paddy in Telangana this kharif season was at 6.4 mln acres as of last Wednesday, up 0.2% from a year ago, according to official data. The overall kharif acreage in the state was 12.6 mln acres, down 4.9% from 13.2 mln acres a year ago. One acre is about 0.40 hectare. Cotton, the major kharif crop grown in Telangana, was sown across 4.5 mln acres, down from 4.9 mln acres a year ago. The area under pulses, including red gram, green gram, and black gram, was 16.7% lower on year at 549,968 acres. The area under coarse grains was at 575,045 acres, down from 661,404 acres a year ago. Total food grain acreage fell to 7.5 mln acres from 7.7 mln acres. Oilseeds were sown across 486,562 acres, against 461,575 acres a year ago. The area under soybean was 7.7% higher on year at 467,053 acres, but that under groundnut declined 14.3% to 15,135 acres. Sugarcane acreage was at 35,899 acres, down from 37,069 acres a year ago, the data showed.

TECHNICAL VIEW

| <p>JEERA NCDEX OCT</p> | <p>May vary inside 62000-58000 and a voluminous break from either sides of the aforementioned range may lend fresh direction.</p> |  | <p>Daily JEERAUNJHA OCT3 07.07.2023 - 04.10.2023 (BOM)</p> <p>Cndt, JEERAUNJHA OCT3, Trade Price, 28.09.2023, 58,605.00, 59,395.00, 58,160.00, 58,845.00, -75.00, (-0.13%), 2MA, JEERAUNJHA OCT3, Trade Price(Last), 14, 21, Exponential, 28.09.2023, 59,885.09, 59,781.81</p> |
|--|--|---|---|
| <p>DHANIYA NCDEX OCT</p> | <p>Pullbacks to 6840/6930 ranges may not be ruled out even as there prevails a weak bias. However, such moves stretching beyond 7020 may improve sentiments.</p> |  | <p>MACD, JEERAUNJHA OCT3, Trade Price(Last), 12, 26, 9, Exponential, 28.09.2023, 224.80, 484.73</p> |
| <p>TURMERIC NCDEX OCT</p> | <p>Pullbacks seen after taking support around 12700 ranges may stretch towards 13700/13940 ranges. On the downside, slippage past 12950 may call for 12700 or even more.</p> |  | <p>Daily COCUDAKL DEC3 07.07.2023 - 04.10.2023 (BOM)</p> <p>Cndt, COCUDAKL DEC3, Trade Price, 28.09.2023, 2,600.00, 2,707.00, 2,600.00, 2,707.00, +104.00, (+4.00%), 2MA, COCUDAKL DEC3, Trade Price(Last), 14, 21, Exponential, 28.09.2023, 2,700.80, 2,702.27</p> |
| <p>COCU- DAKL NCDEX DEC</p> | <p>2715 is the immediate resistance and a voluminous rise above 2730 or more. However, dips to 2680/2660 ranges may not be ruled out as well.</p> |  | <p>MACD, COCUDAKL DEC3, Trade Price(Last), 12, 26, 9, Exponential, 28.09.2023, 0.39, 26.80</p> |
| <p>COTTON CANDY MCX NOV</p> | <p>Choppy trades seen.</p> |  | <p>Daily GUARSEED10 OCT3 07.07.2023 - 04.10.2023 (BOM)</p> <p>Cndt, GUARSEED10 OCT3, Trade Price, 28.09.2023, 5,650.00, 5,684.00, 5,582.00, 5,653.00, +4.00, (+0.07%), 2MA, GUARSEED10 OCT3, Trade Price(Last), 14, 21, Exponential, 28.09.2023, 5,884.78, 5,944.27</p> |
| <p>KAPAS NCDEX APR24</p> | <p>More upsides are probably in store though dips to 1628-1620 ranges may not be ruled out.</p> |  | <p>MACD, GUARSEED10 OCT3, Trade Price(Last), 12, 26, 9, Exponential, 28.09.2023, -105.15, -51.04</p> |
| <p>CASTOR NCDEX OCT</p> | <p>May tick higher. However, a direct fall below 6100 may see weakness creeping in again.</p> |  | <p>Daily GUARGUM NCDEX OCT</p> <p>11540 is the immediate resistance and a voluminous rise above the same may call for more short covering moves. Inability to clear the same may call for sideways to weak trades.</p> |
| <p>GUAR- SEED NCDEX OCT</p> | <p>May stretch gains on a voluminous rise above 5690 ranges. On the downside, slippage past 5570 may intensify weakness.</p> |  | <p>GUARGUM NCDEX OCT</p> |

TECHNICAL LEVELS

| Commodity | Exchange | Open* | High* | Low* | LTP* | S3 | S2 | S1 | Pivot | R1 | R2 | R3 |
|-----------------|----------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| JEERAUNJHA OCT3 | NCDEX | 58605 | 59395 | 58160 | 58845 | 56970 | 57565 | 58205 | 58800 | 59440 | 60035 | 60675 |
| TMCFGRNZM OCT3 | NCDEX | 13290 | 13500 | 12772 | 13500 | 12287 | 12529 | 13015 | 13257 | 13743 | 13985 | 14471 |
| DHANIYA OCT3 | NCDEX | 6780 | 6850 | 6700 | 6784 | 6556 | 6628 | 6706 | 6778 | 6856 | 6928 | 7006 |
| CASTORSEED OCT3 | NCDEX | 6160 | 6224 | 6156 | 6220 | 6108 | 6156 | 6176 | 6200 | 6244 | 6268 | 6312 |
| GUARSEED10 OCT3 | NCDEX | 5650 | 5684 | 5582 | 5653 | 5493 | 5538 | 5595 | 5640 | 5697 | 5742 | 5799 |
| GUARGUM5 OCT3 | NCDEX | 11307 | 11480 | 11250 | 11392 | 11038 | 11144 | 11268 | 11374 | 11498 | 11604 | 11728 |
| MENTHAOIL SEP3 | MCX | 916.0 | 919.9 | 914.0 | 915.5 | 907 | 911 | 913 | 916 | 919 | 922 | 925 |
| COCUDAKL DEC3 | NCDEX | 2600 | 2707 | 2600 | 2707 | 2529 | 2564 | 2636 | 2671 | 2743 | 2778 | 2850 |
| KAPAS APR4 | NCDEX | 1595.0 | 1646.0 | 1595.0 | 1641.0 | 1558 | 1576 | 1609 | 1627 | 1660 | 1678 | 1711 |
| COTTONCNDY NOV3 | MCX | 61000 | 61000 | 60980 | 61000 | 60967 | 60973 | 60987 | 60993 | 61007 | 61013 | 61027 |

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 OCT3 | NCDEX | NEGATIVE | NEGATIVE | NEGATIVE | Neutral | Strong | 2.24% | 35.5% |
| TMCFGRNZM OCT3 | NCDEX | POSITIVE | NEGATIVE | NEGATIVE | Neutral | Strong | 3.42% | 54.2% |
| DHANIYA OCT3 | NCDEX | NEGATIVE | NEGATIVE | NEGATIVE | Neutral | Strong | 1.49% | 23.6% |
| GUARSEED10 OCT3 | NCDEX | FLAT/CHOPPY | NEGATIVE | NEGATIVE | Oversold | Strong | 1.47% | 23.4% |
| GUARGUM5 OCT3 | NCDEX | FLAT/CHOPPY | NEGATIVE | NEGATIVE | Oversold | Strong | 1.90% | 30.1% |
| CASTORSEED OCT3 | NCDEX | POSITIVE | POSITIVE | POSITIVE | Neutral | Strong | 1.17% | 18.5% |
| KAPAS APR4 | NCDEX | POSITIVE | POSITIVE | POSITIVE | Neutral | Strong | 1.13% | 18.0% |
| COTTONCNDY NOV3 | MCX | POSITIVE | POSITIVE | POSITIVE | Neutral | Strong | 0.62% | 9.8% |
| COCUDAKL DEC3 | NCDEX | POSITIVE | NEGATIVE | NEGATIVE | Neutral | Strong | 2.31% | 36.7% |
| MENTHAOIL SEP3 | MCX | NEGATIVE | NEGATIVE | NEGATIVE | Oversold | Strong | 2.27% | 36.1% |

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



Mild bullish bias



Choppy with positive note



Choppy or Sideways



Weak bias or bearish



Mild bearish bias



Choppy with negative note

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