

COMMODITY DAILY REPORT (AGRI)

26th May, 2022

NCDEX AGRIDEX

COMMODITY	EXPIRY DATE	S1	S2	Pivot	R1	R2	Trend
NCDEX Guarex	31-May-22	7,660.00	7,700.00	7,740.00	7,780.00	7,820.00	Up

SPICES

COMMODITY	EXPIRY DATE	S1	S2	Pivot	R1	R2	Trend
Coriander (Jun)	20-Jun-22	11,190.00	11,270.00	11,370.00	11,450.00	11,550.00	Down
Coriander (Jul)	20-Jul-22	11,320.00	11,390.00	11,490.00	11,570.00	11,670.00	Down
Jeera (Jun)	20-Jun-22	21,410.00	21,580.00	21,680.00	21,850.00	21,960.00	Up
Jeera (Jul)	20-Jul-22	21,610.00	21,780.00	21,880.00	22,050.00	22,160.00	Sideways
Turmeric (Jun)	20-Jun-22	8,060.00	8,140.00	8,210.00	8,290.00	8,360.00	Down
Turmeric (Jul)	20-Jul-22	8,200.00	8,250.00	8,300.00	8,350.00	8,400.00	Down

OILSEEDS

COMMODITY	EXPIRY DATE	S1	S2	Pivot	R1	R2	Trend
Castor seed (Jun)	20-Jun-22	7,530.00	7,570.00	7,620.00	7,660.00	7,720.00	Down
Castor seed (Jul)	20-Jul-22	7,610.00	7,640.00	7,700.00	7,730.00	7,790.00	Down

OTHER COMMODITIES

COMMODITY	EXPIRY DATE	S1	S2	Pivot	R1	R2	Trend
Cotton (May)	31-May-22	47,650.00	47,860.00	48,130.00	48,340.00	48,610.00	Down
Cotton (Jun)	30-Jun-22	47,230.00	47,420.00	47,720.00	47,910.00	48,210.00	Down
Cocud (Jun)	20-Jun-22	2,810.00	2,850.00	2,870.00	2,910.00	2,930.00	Up
Cocud (Jul)	20-Jul-22	2,860.00	2,900.00	2,920.00	2,950.00	2,970.00	Up
Guar seed (Jun)	20-Jun-22	5,970.00	6,000.00	6,030.00	6,060.00	6,090.00	Up
Guar seed (Jul)	20-Jul-22	6,050.00	6,080.00	6,110.00	6,130.00	6,160.00	Up
Guar gum (Jun)	20-Jun-22	11,500.00	11,590.00	11,700.00	11,790.00	11,900.00	Up
Guar gum (Jul)	20-Jul-22	11,670.00	11,750.00	11,860.00	11,940.00	12,050.00	Up
Mentha Oil (May)	31-May-22	990.00	1,010.00	1,040.00	1,060.00	1,090.00	Down
Mentha Oil (Jun)	30-Jun-22	1,050.00	1,070.00	1,090.00	1,110.00	1,130.00	Down

**One has to follow the trend and see the price only at closing. This is not for Intra day trading.

Market Update

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
Cardamom	Vandanmendu	824.70	845.00	-2.40%
Coriander	Kota	11350.00	11798.20	-3.80%
Jeera	Unjha	21468.40	21600.50	-0.61%
Turmeric	Nizamabad	7804.55	7964.45	-2.01%

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
CPO	Kandla	1476.10	1484.00	-0.53%
RM Seed	Jaipur	7107.55	7173.35	-0.92%
Refined Soy oil	Mumbai	1550.00	1560.00	-0.64%
Soybean	Indore	6974.50	7102.70	-1.80%

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
Cocud	Akola	3051.25	3061.20	-0.33%
Cotton	Kadi	47328.45	47328.45	0.00%
Guar Seed	Jodhpur	6025.00	6064.45	-0.65%
Wheat	Delhi	2279.75	2281.75	-0.09%
Chana	Delhi	4807.20	4851.90	-0.92%

Spices

Turmeric futures (Jun) closed 3.6% lower on Wednesday witnessed some aggressive selling by the market participants to close below the 8000 levels for the first time in 2022. Now we see support at 7650 while resistance at 8200. We expect it to trade sideways to lower towards 7500 if it opens below the previous day low. The demand is normal and lack of aggressive buying by bulk traders as export demand is not picking up. Turmeric prices have corrected about 17% in 2022 due to steady demand and sufficient supplies. Reports of good sowing progress in south India is also pressurizing the prices. As per latest export figures, turmeric exports in Mar 2022 jumped higher 27.4% y/y at 15750 tonnes vs 12,360 tonnes while in FY 2021/22, exports down 16.7% at 1.53 lakh tons compared to last year but higher by 10% compared with 5-year average. Jeera futures (Jun) slipped more than 2% on fresh selling at higher levels due to lack of demand from the exporters. Now the support is 21110 and resistance is 21650 levels. We expect the prices to trade sideways to lower towards 20800 if it sustains below the support. The demand for cumin seed is normal while exports have not improved as expected from China. Currently, prices are higher by 53.5% y/y on lower crop estimates. Traders expect jeera production in 2021/22 sharply lower at 5.0-6.0 mln bags (1 bag = 55 kg) from 8.0-8.5 mln bags the previous year. As per govt data, jeera exports in Mar 2022 down by 58.5% Y/Y at 14600 tonnes compared to 35160 tonnes while exports for FY 2021/22 is also down by 27% Y/Y at 2.16 lt compared to 2.98 lt last year. Dhaniya futures (Jun) closed 3.3% lower as selling pressure continues and witnessed a steep fall due to lack of demand. Now the next support is seen at 10700 while resistance levels are 11300. We expect prices to trade mostly sideways to lower in the range of support and resistance. Prices are down 11% in last one month due to slowdown in demand. The processors and traders are buying as per their requirements as market prices ruling higher by 55% y/y and up 25% since January due to lower crop estimates. As per govt data, coriander exports in Mar 2022 down 528.7% y/y at 4180 tonnes compared to 5862 tonnes last year while for FY 2021/22 export volume is down by 15.2% at 48,615 tonnes Vs 57,350 tonnes last year but 9.5% higher compared to 5-year average.

Other Commodities

Cotton futures (Jun) closed 0.4% higher and witnessed some recovery on Wednesday mainly on some technical buying. The trend still looks negative due to lower demand from the mills. Now have the support at 46820 while resistance at 48400. We expect it to trade sideways in the range and advise to take positions on breakouts of support and resistance. In a recent development South India Spinners Association has taken big decision to close 100% mills and stop buying of cotton. Currently, cotton prices in the country is higher by more than 110% y/y and ruling at a premium to global prices in view of production being lower than last year, rising demand and non-availability of quality cotton. In May, USDA cut global cotton production for 2021/22 by 1.8 million bales, largely due to a drop of 1.0 million bales from India. As per CAI, domestic cotton arrivals down 17% or 58.88 lakh bales to 277.49 lakh bales compared to 336.37 lakh bales last year and also cut cotton production forecast by 11.50 lakh bales in May to 323.63 lakh bales compared to 335.13 lakh bales. Guar seed futures (Jun) closed 0.8% lower and still continue to trade in a broad range due to normal demand and expectation of higher sowing coming season. Now we expect it to trade sideways in a range of 5950 – 6100 and look for any trend only after breaking of these levels. Improving exports may support prices but reports of normal monsoon may pressurize the prices. Prices have corrected in last one month. Currently, the prices are higher by about 43% y/y due to lower production, multi-year lower stocks and good export demand. The export of guar gum may support prices as number of operational oil rigs improving in the US. The US oil rig count is also higher at 576 up by about 220 compared to last year. In Mar 2022, Guar gum exports are higher by 9.4% y/y at 26377 tonnes while exports in 2021/22 up by 39% y/y at 3.21 lt compared 2.34 lt last FY. Guargum exports were down about 20% in last FY compared to previous five-year average of 4 lt exports. Castor Seed (Jun) slipped 1.5% and close in negative for the third consecutive session after touching all time high last week. Currently, the market is trending lower and support is seen at 7450 levels. It is expected to trade lower towards its support. Currently, prices are on higher side as prices have jumped 27.5% jump in prices this year while prices are about 47% higher y/y due to lower production estimates. SEA estimates, India's castor seed crop in 2021-22 at 16.94 lakh tonnes — lower by 62,000 tonnes from last year's estimated output of 17.56 lakh tonnes (lt). On the export front, castor meal exports are down 7.7% y/y at 25758 tonnes in Apr 2022, while overall exports in first 4-months in 2022 also lower by 4.4% at 1.26 lt vs 1.31 lt. as export prices at higher by 95% y/y at \$141 per ton compared to \$72 last year. Despite higher prices the exports have not much affected. Similarly, castor oil exports in Apr 2022 were down by 19.7% y/y at 55277 tonnes due to 40% increase in export prices this season. Exports are down 18% y/y to 1.95 lt during Jan-Apr Period.

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