

COMMODITY DAILY REPORT (AGRI)

28th December, 2020

NCDEX AGRIDEX

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
NCDEX AGRIDEX	31-Dec-20	1151.25	Sideways	27.11.20	1183.25	-

SPICES

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Coriander (Jan)	20-Jan-21	5860.00	Down	02.11.20	6686.00	6020.00
Coriander (Apr)	20-Apr-21	6278.00	Down	02.11.20	6752.00	6400.00
Jeera (Jan)	20-Jan-21	12955.00	Down	26.11.20	13995.00	13500.00
Jeera (Mar)	19-Mar-21	13290.00	Down	26.11.20	13785.00	13700.00
Turmeric (Apr)	20-Apr-21	5802.00	Down	02.11.20	5756.00	5970.00
Turmeric (May)	20-May-21	5850.00	Sideways	18.11.20	5840.00	-

OILSEEDS

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
CPO (Dec)	31-Dec-20	958.50	Up	10.12.20	914.10	930.00
CPO (Jan)	29-Jan-20	961.30	Up	10.12.20	909.30	930.00
Ref. soy oil (Jan)	20-Jan-21	1148.10	Up	10.12.20	1065.50	1100.00
Ref. soy oil (Feb)	19-Feb-21	1147.30	Up	10.12.20	1072.30	1100.00
RM Seed (Jan)	20-Jan-21	5648.00	Up	23.12.20	5631.00	5350.00
RM Seed (Feb)	19-Feb-21	5595.00	Up	23.12.20	5531.00	5300.00
Soybean (Jan)	20-Jan-21	4501.00	Up	23.12.20	4491.00	4300.00
Soybean (Feb)	19-Feb-21	4492.00	Up	23.12.20	4478.00	4290.00
Castor seed (Jan)	20-Jan-21	4434.00	Down	26.11.20	4654.00	4550.00
Castor seed (Feb)	19-Feb-21	4464.00	Down	26.11.20	4618.00	4560.00

OTHER COMMODITIES

COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Chana (Jan)	20-Jan-21	4404.00	Down	01.12.20	4909.00	4800.00
Chana (Mar)	19-Mar-21	4443.00	Down	01.12.20	4851.00	4750.00
Cotton (Dec)	31-Dec-20	20300.00	Sideways	21.12.20	20020.00	-
Cotton (Jan)	29-Jan-20	20560.00	Sideways	21.12.20	20300.00	-
Cocud (Jan)	20-Jan-21	2002.00	Down	07.11.20	2024.00	2120.00
Cocud (Feb)	19-Feb-21	2027.00	Down	07.11.20	2006.00	2140.00
Guar seed (Jan)	20-Jan-21	3915.00	Down	18.11.20	3945.00	4065.00
Guar seed (Feb)	19-Feb-21	3958.00	Down	18.11.20	3987.00	4085.00
Mentha oil (Dec)	31-Dec-20	997.50	Up	17.11.20	994.40	980.00
Mentha oil (Jan)	29-Jan-20	1008.70	Up	17.11.20	998.90	985.00

**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	1787.50	1765.00	1.27
Coriander	Kota	6085.40	6153.40	-1.11
Jeera	Unjha	13353.40	13373.40	-0.15
Turmeric	Nizamabad	5521.90	5512.50	0.17

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
CPO	Kandla	960.60	951.50	0.96
RM Seed	Jaipur	5914.15	5850.00	1.10
Refined Soy oil	Mumbai	1096.95	1099.25	-0.21
Soybean	Indore	4545.00	4503.00	0.93

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
Cocud	Akola	2013.35	2020.00	-0.33
Cotton	Kadi	20180.35	20030.95	0.75
Chana	Delhi	4400.00	4554.00	-3.38
Wheat	Delhi	1812.00	1813.15	-0.06

Spices

Turmeric futures (Apr) is giving a lower closing week after week, which depicts that the trend is still weak and in days to come it may trade with a downside bias in the range of 5710-5810. This weakness is due to higher stock which will be carried forward to next year to the quantum of 50-60% more than the current year arrival, thus keeping a cap on the upside. The Covid-19 did bring some optimism for turmeric consumption as an immunity booster, but that didn't last long. Another reason for drop in demand is poor quality of the arrivals. Hence, many traders in Erode shifted buying turmeric from markets in Andhra Pradesh and Maharashtra as they found prices to be cheaper. Despite incurring 2% freight charges, they still saved 5% on cost. The bearish trend of jeera futures (Apr) may get further extended towards 12850-12750, facing resistance near 13100 levels. A slowdown in export demand amid ample carryover stocks is likely to weigh on prices. The demand from domestic stockists has also reduced as the market awaits arrivals of new crops. Meanwhile, brightened sowing prospects this year has also further weakened the prices. Jeera acreage in Gujarat for the 2020-21 season as on 21st December is 4,60,899 hectares as compared with 4,16,639 hectares last year and even higher than the three year average of 4,06,141 hectares in the state. Dhaniya futures (Jan) may trade with a downside bias in the range of 5800-5920 levels. Ramganj mandi of Rajasthan has started witnessing arrivals of new coriander crop from and being sold at Rs 7,101 per quintal. The new crop arrivals will pick pace in February.

Oilseeds

Soybean futures on the national bourse is trading just a little shy away from its 6 year high of 4561 taking positive cues from the international markets. This bullishness will take the counter to 4520-4550 as market participants on CBOT are strongly positioned on the long side amid dry crop weather conditions over the major grown areas. Secondly, the ongoing Argentine labour strike curbing South American export supply is creating supply shortages in the global market. According to the latest update, Argentine oilseed workers and grains inspectors said they might further extend a work stoppage rejecting the latest compensation offer from soymeal manufacturers and exporters. The strike has also fuelled gains in edible oil markets in both international and the price-taker domestic markets. In the present scenario, this is a huge driver of the rally in oilseeds and edible oils. Apart from it, there are two other factors which needs to be watched, firstly the pace of CPO imports by India alongwith export figures of palm oil from Malaysia. The resumption of Malaysia's crude palm oil (CPO) export tax at the highest rate of 8% in January 2021 may curb its demand. Secondly, prospects of imports by China improved and positive impact of news from top producer Indonesia said it would stick with its original biodiesel plan. Saying this, soyoil futures (Jan) has the potential to test 1150-1160 and CPO futures (Jan) can rally towards 970-980 levels, respectively. RM Seed futures (Jan) is also looking strong and can trade with an upside bias in the range of 5500-5900. Depleting stocks and rally in oilseeds complex is sending strong message to buyers for fresh buying.

Other Commodities

Cotton futures (Jan) is expected to trade on a bullish note towards 20800, taking support near 20400, amid positive cues from the international market. ICE cotton futures is gaining grounds, supported by a strong weekly exports sales report and a weaker U.S. dollar, with prices of the natural fiber also latching onto upbeat sentiment in wider markets. The U.S. Department of Agriculture's weekly export sales report showed net sales of 416,700 running bales for 2020/2021, up 14% from the prior four-week average. China has boosted purchases to meet commitments under a trade deal, while its economy rebounds. Traders now hope for even more demand later as coronavirus vaccines are distributed and consumer demand recovers. On the supply side, the USDA cut its forecast for the domestic crop several times after adverse weather, including drought and hurricanes, eroded supply prospects. The downtrend of chana futures has again resumed and it seems that soon it shall retest the low near 4300. National Agricultural Cooperative Marketing Federation (NAFED) is busy offloading its 1.50 LMT of PSS Rabi-2020 gram stock, the quantity offered for the month of December. Secondly, the harvest of tur dal is also expected to weigh on the prices. Guar seed futures (Jan) may consolidate in a narrow range of 3850-3950, while guar gum futures (Jan) is likely to trade sideways in the range of 5850-6050 levels, respectively. Lower arrival and prospects of better gum demand are encouraging millers for lower level buying. Earlier, farmers were bringing more guar seed so clear their dues in their Kisan credit card by the end of this month. As current month was nearing to end, farmers will reduce selling their cash crop.

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