

COMMODITY DAILY REPORT (AGRI)

7th May, 2020

SPICES						
COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
Cardamom (May)	15-May-20	1655.00	Down	05.02.20	3687.50	1900.00
Cardamom (June)	15-Jun-20	1640.00	Sideways	24.04.20	1650.00	-
Coriander (May)	20-May-20	5747.00	Sideways	09.04.20	6280.00	-
Coriander (June)	19-Jun-20	5677.00	Sideways	08.04.20	6361.00	-
Jeera (May)	20-May-20	13760.00	Sideways	20.04.20	13765.00	-
Jeera (June)	19-Jun-20	13400.00	Sideways	24.04.20	13655.00	-
Turmeric (May)	20-May-20	5308.00	Sideways	20.04.20	5556.00	-
Turmeric (June)	19-Jun-20	5332.00	Sideways	21.04.20	5596.00	-

OILSEEDS						
COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND CHANGED	CLOSING STOP LOSS
CPO (May)	29-May-20	572.40	Down	21.04.20	631.90	595.00
CPO (June)	30-Jun-20	562.50	Down	21.04.20	637.90	585.00
Ref. soy oil (May)	20-May-20	762.80	Down	21.04.20	765.60	790.00
Ref. soy oil (June)	19-Jun-20	736.00	Down	21.04.20	799.40	765.00
RM Seed (May)	20-May-20	4123.00	Up	28.04.20	4145.00	4040.00
RM Seed (June)	19-Jun-20	4133.00	Up	28.04.20	4132.00	4040.00
Soybean (May)	20-May-20	3824.00	Down	21.04.20	3614.00	3850.00
Soybean (June)	19-Jun-20	3756.00	Down	21.04.20	3758.00	3835.00

OTHER COMMODITIES						
COMMODITY	EXPIRY DATE	CLOSING PRICE	TREND**	DATE TREND CHANGED	RATE TREND STOP LOSS	CLOSING
Chana (May)	20-May-20	4174.00	Up	23.03.20	4062.00	4110.00
Chana (June)	19-Jun-20	4209.00	Up	24.04.20	4263.00	4135.00
Cocud (May)	20-May-20	1857.00	Down	21.04.20	1836.00	1950.00
Cocud (June)	19-Jun-20	1883.00	Down	04.05.20	1856.00	1980.00
Guar seed (May)	20-May-20	3460.00	Up	28.04.20	3444.00	3250.00
Guar seed (June)	19-Jun-20	3444.00	Up	28.04.20	3444.00	3280.00
Mentha oil (May)	29-May-20	1193.40	Up	13.04.20	1132.30	1120.00
Mentha oil (June)	30-Jun-20	1060.00	Sideways	25.04.20	1013.00	-

**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	2525.00	2525.00	0.00
Coriander	Kota	6257.25	6257.25	0.00
Jeera	Unjha	13950.00	14000.00	-0.36
Turmeric	Nizamabad	5275.00	5315.00	-0.75

Spices

Turmeric futures (May) is unlikely to recover as it is facing resistance near 5400 taking negative cues from the spot markets. The sales of the yellow spice is falling in Erode as the traders are mainly buying turmeric in Erode and not placing any bulk order as the exports have slowed down. It is also being observed that many buyers are expecting the arrival of more quantity only in the first week of May and also waiting for best quality arrival. Saying this, it is expected that if the counter breaks the previous low near 5350, then it may plunge towards 5250-5200 levels. Spot prices were down by Rs.100 a quintal. At the Erode Turmeric Merchants Association salesyard, finger turmeric was sold at Rs.5,669-6,789 a quintal and root variety at Rs.5,279- 6,308. Of the 2,074 bags kept for sale, only 541 were sold. The Covid-19 pandemic seems to have taken a toll on cardamom, the reason being it is making fresh yearly lows on the national bourse. This year the exports also did not commence during the peak season of demand particularly from Gulf countries at the time of holy Ramadan month, which begins on April 21 and runs up to May 20. Most of the stocks are lying with farmers and traders. Only if the stocks are cleared, planters can invest in new crop, for which the first picking season begins by the end of May or early June. Analyzing the bearish fundamental factors, the price outlook of cardamom futures is bleak and in days to come it may go down further to test 1600 levels. Jeera futures (May) is likely to consolidate & trade with a downside bias facing resistance near 13865 owing to slump in demand. On the spot, the physical trading is not happening since auctions are still suspended as farmers are not allowed to bring their produce to the market.

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
CPO	Kandla	614.40	620.00	-0.90
RM Seed	Jaipur	4361.30	4361.30	0.00
Refined Soy oil	Mumbai	778.35	778.35	0.00
Soybean	Indore	3977.00	3965.00	0.30

Oilseeds

Soybean futures (May) may continue to face resistance near 3840 levels, as there are anticipations that soymeal exports from India may slump in days to come. India's soymeal exports may fall to around 500,000 tn in 2019-20 (Oct-Sep), less than a fourth of the year-ago figure of 2.1 mln tn due to subdued demand from traditional overseas buyers amid ongoing lockdowns, Soybean Processors Association of India. In the international market, U.S. soybean futures trade sideways to down owing to weaker overall demand due to the coronavirus epidemic. The subdued trend in oilseeds markets is under the U.S.-China tensions. Moreover, the prospect of a drop in demand for soy-based livestock feed, as coronavirus outbreaks cause U.S. meat-packing plants to close, was hanging over the market. Mustard futures (May) is expected to take support near 4080 levels supported by rising demand from the millers. This is the peak crushing season in Rajasthan and it is reported that many plants in Alwar are operating at full capacity. These mustard oil manufacturing plants are mostly located in green zones have they have got clearance from the state authorities before starting operations. Also maintaining standard operating procedure laid out by the government at factories. Soy oil futures (May) is expected to plunge towards 760-755, while CPO futures (May) may descend to test 565-560 levels. In the domestic market, retail cooking oil sales have started increasing but demand from big buyers such as hotels, bakeries and caterers remains weak. Demand from big buyers is likely to fall 30-35% this year. Moreover, availability in the country has improved in the last one week as supply chain disruptions have reduced and labour problems eased at manufacturing plants. In international market, Malaysian palm oil futures fell to its lowest in nearly 10 months on Wednesday, as forecasts of rising production and higher April inventory amid weak exports due to the coronavirus outbreak capped gains. The Malaysian Palm Oil Association estimated April crude palm oil production to increase by 19.9% from the month before.

Commodity (Spot)	Location	Closing Price	Previous Close	% Diff
Cocud	Akola	1994.50	1977.90	0.84
Cotton	Kadi	15537.10	15537.10	0.00
Sugar M	Kolkata	3380.95	3380.95	0.00
Wheat	Delhi	1960.00	1973.35	-0.68

Other Commodities

Cotton futures (May) is likely to witness sell on rise and descend towards 14950-14850 levels. It is estimated that cotton consumption may fall by about 25-30 lakh bales in the current year. Since the outbreak of the pandemic, the demand for cotton has reduced with the closure of textiles mills due to the lockdown. Usually, traders procure cotton from farmers and send it to spinning mills but, currently the produce is either stocked at home by farmers or at godowns by traders, as the clothing supply chain that have been disillusioned into crisis by the Covid-19 across the globe. The supply is much heavier because the farmers have no option, but to sell the produce for any rate that the traders offer, as they need money to meet their everyday expenses. Global cotton consumption in 2019/20 is set to suffer a 12% decline as demand plummets due to the Covid-19 pandemic, with year-end prices seen falling to their lowest levels in more than a decade. The latest projections from the International Cotton Advisory Council (ICAC) show a 11.8% decline in consumption for 2019/20, a 4% decrease in planted land in 2020/21 and a 4% decrease in production in 2020/21. Chana futures (May) is expected to take support near 4125 levels. The demand is on rise and with the major mandis in Madhya Pradesh remaining closed, millers of Indore are procuring pulse seeds either directly from the farmers or from dedicated godowns in the State. Guar gum futures (May) is expected to plunge towards 5050-4980 levels. In a turnaround of fundamentals impacting negatively the counter, with businesses locked down and billions of people staying at home, demand for oil to fuel cars, planes and industry has dropped around 30% worldwide. The resulting supply glut has pushed U.S. crude prices well below production costs, forcing companies to start winding down operations. The widely watched Baker Hughes oil rigs report showed on Friday that the number of active rigs drilling oil fell worldwide fell to 1,514 in April, almost 30% lower than the same point a year ago.

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