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AGRI PICKS

A Daily Report on Agricultural Commodities

Wednesday, April 01, 2020

TODAY'S PICKS

BUY CPO ON DIPS

AGRI. BUZZ

- The government has cut the base import prices of edible oils by \$80-\$92 per tn, the Central Board of Excise and Customs said in a notice.
- The Securities and Exchange Board of India's move to curtail trading hours in commodity markets has led to much uncertainty. Trade volumes have slumped and market participants are worried about the hedging of commodities, which track benchmark prices in global markets. Brokers complain that the reduced trading hours has hit the ability of participants to hedge their positions on domestic exchanges according to the movement in global prices.
- India's tea exports in January fell 22.8% on year to 17.95 mln kg, according to data released by Tea Board of India.
- The Multi Commodity Exchange of India has extended the event-based additional surveillance margin of 5% on cardamom till Apr 27, the exchange said in a circular.

SPICES COMPLEX

Market Buzz

- Jeera April futures on NCDEX ended tad down on Tuesday in lacklustre trades. Absence of cues from the spot market owing to country-wide lockdown influenced the sentiments.
- According to the Spices Board, jeera exports rose 27 per cent during Apr-Dec 2019 to 167000 compared to same period last year.
- Govt. pegs 2019-20 jeera output at 547000 tonnes.
- Coriander April futures on NCDEX gained more than 1.5 per cent on Tuesday on worries over supply with spot market being closed due to lockdown. However, expectation of rise in production this rabi season may probably keep gains under check.
- Govt. pegs 2019-20 coriander output at 762000 tonnes.
- According to Spices Board of India data, coriander exports were at 36750 tonnes during Apr-Dec 2019, up by one per cent compared to same period last year.
- Turmeric April futures on NCDEX resumed declining on Tuesday after rising in the previous day. Forecast of good crop in the 2019-20 kharif season along with lack of cues from the spot market weighed on.
- Govt. pegs 2019-20 turmeric output at 913000 tonnes.
- For the period Apr-Dec 2019, India exported 101,500 tn of turmeric, marginally up compared to 101,000 tonnes exported during the same period in 2018. However, in the value terms it showed a three per cent fall.
- Cardamom MCX April futures stretched gains on Tuesday, rising about four per cent as lower level buying may have emerged following its fall to 11-month lows last week.
- According to the data from the Spices Board, Indian exported 1405 tonnes of cardamom for Apr-Dec 2019 period, down 35 per cent compared to same period last year.
- After suspending e-auctions at Puttady and Bodinayakanur, Tamil Nadu until Mar 31 on Mar 16, the Spices Board resumed e-auctions at Puttady, Kerala on Mar 18. The board took the decision following permission from Kerala government, which has told auctioneers to provide masks to bidders and staff engaged in the auction. A maximum of 30 bidders will be allowed at the auction at a time, according to the circular. According to the circular issued by the Spices Board, the auction centre in Bodinayakanur will remain closed till further notice.



TECHNICAL VIEW

<p>JEERA NCDEX APR</p>	<p>May trade choppy and slide past 14000 may call for 13800 or even more. However, a rise above 14280 may see prices inching higher towards 14400-14600 ranges.</p>	
<p>DHANIYA NCDEX APR</p>	<p>5920 is the immediate resistance, which if breached may call for 6000-6050 or even more. However, as long as 5920 caps, may trade sideways to weak</p>	
<p>TURMERIC NCDEX APR</p>	<p>As long as 5700 holds downside, brief pullbacks to 5900 or even more seems to be likely. However, a voluminous fall past the same may call for further downsides towards 5630-5500 levels.</p>	
<p>CARDAMOM MCX APR</p>	<p>May inch higher towards 2100 or even more to 2300. However, a voluminous rise above 2300 is necessary for the upswing to continue. Else, higher level selling likely.</p>	

OILSEED COMPLEX

Market Buzz

- All the commodities under oilseed basket fell on Tuesday due to profit booking.
- MCX Apr CPO traded lower tracking weakness from Malaysian futures prices owing to weak exports. NCDEX Apr Soy oil futures prices down on profit booking.
- NCDEX Apr Soybean futures settled lower as investors booked profit after a week rally. Apr Mustard seed futures prices also down tracking weakness in domestic soybean prices.
- The Solvent Extractors' Association of India has estimated mustard output in India in 2019-20 (Jul-Jun) at 7.8 mln tn, up 3.7% from the previous year, primarily due to supportive weather conditions, it said in a report.
- In January, soymeal exports slumped to 6,107 tn from 86,378 a year ago, according to data released by The Solvent Extractors' Association of India. In January, mustard meal exports also declined to 35,664 tn from 57,995 tn a year ago.
- Mustard crop for 2019-20 (Jul-Jun) is pegged at 9.1 mln tn as against 9.3 mln tn produced a year ago, farm ministry data. Farmers across the country have sown mustard across 6.9 mln ha as of Thursday, down 0.4% on year, farm ministry data showed.
- In its 2nd advance estimate, The government has raised its soybean output estimate for 2019-20 to 13.6 mln tn against 13.5 mln tn pegged earlier. DGFT notified that import of RBD Palmolein and Palm oil under "restricted list" to regulate excessive import to India. In the meantime, Kolkata has issued licences for 88,000 tons of import of RBD Palmolein from Nepal at Zero duty under SAFTA agreement.
- The Solvent Extractors' Association of India has compiled the export data for export of oilmeals for the month of January 2020. The export of oilmeals during January 2020 is provisionally reported at 51,393 tons compared to 236,213 tons in January, 2019 i.e. down by 78%. The overall export of oil meals during Apr-'19 to Jan-'20 is reported at 2,006,669 tons compared to 2,647,461 tons in Apr-'18-Jan-'19 i.e. down by 24%. This is mainly due to disparity in export of oilmeals, specifically soybean meal due to higher MSP of beans which makes the domestic soybean meal expensive in international market compared to other origins.
- China's soybean imports are likely to increase by 3.0 mln tn to 88.0 mln tn, which reflects higher crushing of soybean in the country. The agency has pegged the US's soybean exports this year at 49.7 mln tn, up from 48.3 mln tn pegged earlier. For Brazil, exports during the year are seen at 77.0 mln tn, 1.0 mln tn higher than the previous estimate.
- According to SEA, the stock of edible oils as on 1st Feb. 2020 at various ports has estimated at 885,000 tons. (CPO 420,000 tons, RBD Palmolein 130,000 tons, Degummed Soybean oil 165,000 tons and Crude Sunflower oil 170,000). Currently total stock at ports and in pipeline is reported at 1,735,000 tons decreased by 125,000 tons from 1,860,000 tons as on 1st Jan, 2020 and from 21.10 lakh tons stock last year. India's monthly requirement is about 19 lakh tons and ordinarily operate at 30 days stock against which currently holding stock at 17.35 lakh tons equal to 27 day requirements.
- Mustard seed crushing by mills in India declined 12.5% on year to 350,000 tn in January, according to Mustard Oil Producers Association of India. Mustard crushing in December was 500,000 tn. Crushing was at 6.8 mln tn during Mar-Jan, down from 6.9 mln tn in the year-ago period. In Rajasthan, the top producer, total supply of mustard was at 20,000 tn in January, while it was at 20,000 tn in Uttar Pradesh, and 5,000 tn in Madhya Pradesh. Stock with farmers, processors, stockists, and state-run agencies was at 850,000 tn as on January 31.
- The US Department of Agriculture estimates global soybean output in 2019-20 to be 337.7 mln tn, against the 337.5 mln tn it had projected in December.
- Soybean Processors Association of India pegged soybean production at 8.9 mln tn this year, down 18% from 2018-19. India's soymeal exports fell around 85% on year to 50,000 tn in November, according to The Soybean Processors' Association of India data. The decline was due to disparity between global and domestic prices. During Oct-Nov, India exported 113,000 tn soymeal against 457,000 tn during the corresponding period last year.
- According to Government 2nd advance estimate, castor production in 2019-20 is expected at 2.0 mln tn, up from the previous estimate of 1.7 mln tn. Castor seed output in India is estimated at 2.1 mln tn in 2019-20 (Jul-Jun), up from 1.1 mln tn pegged last year, according to a survey conducted by Indian Agribusiness Systems Ltd and commissioned by The Solvent Extractors' Association of India.
- India's castor oil exports fell 6% on year to 38,199 tn in January, according to Solvent Extractors' Association of India's data. For Apr-Jan, exports were also down at 441,030 tn, compared with 472,192 tn during the year-ago period. In 2018-19 (Apr-Mar), India's castor oil exports slipped to 571,985 tn in 2018-19 from 651,326 tn in the previous year.
- As per the Solvent Extractors' Association of India (SEA), of the export of castor meal during January 2020 fell by 88% to 5422 MT compared to previous month due to outbreak of corona virus. On a cumulative basis, exports jumped by nearly 46% to 485,245 tons from 332,031 tons from Apr 19- Jan 19.
- Malaysia's palm oil output in February rose 10% on month to 1.3 mln tn, according to the Malaysian Palm Oil Board data. Inventory of total palm oil in the country fell 4.2% to 1.7 mln tn in February. Stocks of processed palm oil in the country was at 838,634 tn in February against 910,484 tn a month ago, while that of crude palm oil were at 842,965 tn compared with 844,930 tn in January. According to the Malaysia Palm Oil Board, palm oil exports in February was largely unchanged at 1.1 mln tn while bio-diesel exports fell nearly 63% to 21,790 tn.
- Exports of palm oil and its derivatives during Mar 1-20 were 20% lower on month at 654,440 tn, private cargo surveyor AmSpec Agri Malaysia said.



TECHNICAL VIEW

SOYBEAN NCDEX APR	As long as prices are able to sustain above 3760 could continue the upside moves towards 3840/3870 levels.	
REF SOY OIL NCDEX APR	Bullish momentum is likely to continue towards 840/850 levels.	
RMSEED NCDEX APR	If prices continue to trade above 4090 could see a bargain buying towards 4150/4180 levels.	
CASTOR NCDEX APR	Profit booking is more likely to see towards 4000/3980 levels.	
CPO MCX APR	It is required to clear the resistance of 671 for the following bulls to active towards 675/680 levels.	

COTTON COMPLEX

Market Buzz

- UK-based Cotton Outlook has revised downward its estimate for 2020-21 (Aug-Jul) global cotton production to 25.3 mln tn from 26.1 mln tn projected last month due to lower crop in the US. For 2019-20, the global production estimate has been scaled down to 26.04 mln tn. It pegged India's 2020-21 cotton production at 5.95 mln tn, down from 6.13 mln tn projected in the previous month. It has lowered its projection for global consumption in 2020-21 to 24.1 mln tn from 25.9 mln tn estimated a month ago. Overall, demand has been lowered by over 2 ml tn. As a result, world stocks are expected to rise by over 2.8 mln tn by the end of this season.
- Cotton Corp of India has halted procurement of the fibre at its centres due to closure of spot markets after the Centre imposed a 21-day nationwide lockdown to curb the rapid spread of coronavirus in the country, Chairman and Managing Director P. Alli Rani said.
- Deals to export around 150,000 bales of cotton mainly to Bangladesh and a few to China have been put on hold due to disruption in business and transport services because of the spread of coronavirus, said traders.
- The US Department Of Agriculture has scaled up its estimate for the closing stock of cotton globally in 2019-20 (Aug-Jul) to 83.40 mln bales (1 US bale = 218 kg), against the 82.12 mln bales it had projected in February. It pegged global production higher at 121.59 mln bales from the 121.33 mln bales it had estimated in February. Production (globally) is up about 250,000 bales as larger crops expected in Brazil, Chad, and Tajikistan offset a lower US crop. It has estimated output in the US lower at 19.80 mln bales from the 20.10 mln bales projected earlier. The agency expects consumption from China to decline to 36.5 mln bales in the ongoing season, compared with the 37.5 mln bales it had estimated in the previous month. The estimate for the India's cotton output and consumption for 2019-20 are seen steady at 29.5 mln bales and 24.5 mln bales, respectively. The agency has kept its estimates for imports and exports unchanged at 2.3 mln bales and 3.6 mln bales, respectively.
- The International Cotton Advisory Committee expects global prices of cotton to come under pressure due to forecast of higher crop in 2019-20 in the March report. The global cotton production to increase 1% on year to 25.98 mln tn in the ongoing season. With the opening stock of 18.27 mln tn, global supply of cotton in 2019-20 is projected at 44.25 mln tn, compared with 44.40 mln tn a year ago. Cotton production in India is projected to rise 12% on year to 6.0 mln tn in 2019-20. While, output in China is estimated to fall to 5.8 mln tn, compared with 6.04 mln tn. Production in the US is seen higher at 4.38 mln tn, compared with 4.0 mln tn last year. It has estimated global cotton consumption at 26.2 mln tn, while ending stock for the season is seen at 18.05 mln tn, lower than 18.27 mln tn last year. Global exports of cotton are seen rising to 9.41 mln tn in the ongoing season, compared with 9.23 mln tn in the previous year.
- The Cotton Association of India has maintained its estimate for production in the country in the 2019-20 (Oct-Sep) season at 35.45 mln bales (1 bale = 170 kg), up 13.6% from the last season. Considering the opening stock of 3.2 mln bales, the cotton body expects the total supply to be around 41.15 mln bales in the current season. It retained its estimate of 4.2 mln bales for exports and pegged imports at 2.5 mln bales. Domestic consumption is expected to be 33.1 mln bales, unchanged from the previous month's estimate. Closing stock of cotton for the 2019-20 season is now pegged at 3.85 mln bales.
- Procurement by state-owned Cotton Corp of India in the current marketing year that began on Oct 1 has exceeded 5.8 mln bales (1 bale = 170 kg). India is likely to harvest 36.0 mln bales, of which around 55% has already arrived in the market, and CCI has bought nearly 28%. According to CCI, it aims to procure 6.5-7.0 mln bales of the crop in the current year, though this would depend on the price and the quality, this being the fag end of the harvest season, which is over sixfold higher than 1.1 mln bales procured the previous year.
- Global ending stock of cotton is seen at 1.16 mln tn compared with 207,000 tn projected in February, the agency said.
- According to Cotton Advisory Board, India's cotton output in the 2019-20 season is projected at 36.0 mln bales (1 bale = 170 kg), compared with 33.0 mln bales a year ago. Cotton sowing across the country was up 5.5% on year at 12.8 mln ha, according to the latest data released by the farm ministry.

KAPASJ20.NCDF Daily - No Time Period C:946.50 O:945.00 H:951.00 L:941.00 Exp 13 961.7918 Exp 45 1010.9736 Exp 22 978.6739 EPS 2019 Y EPS 2020 Y EPS 2021 Y EPS © FIS



TECHNICAL VIEW

KAPAS NCDEX APR20	Prices is required to clear the downside support of 933 for the corrective selloffs to continue towards 920/915 levels.	
COTTON MCX APR	Weak bias is probably to extend lower to 16000/15800 levels.	
COCUDAKL NCDEX APR	Though profit booking witnessed yesterday if prices were able to stay above 2040 expect to see more upside moves targeting 2120/2150 levels. Else, could see a selloffs to 2000 regions.	

OTHERS

Market Buzz

- Chana April futures on NCDEX stretched the previous day’s losses to end more than one per cent down on Tuesday. Lack of cues from the spot market weighed on.
- The National Agricultural Cooperative Marketing Federation of India has procured 21,208 tn of chana from farmers in Andhra Pradesh and Karnataka as of Tuesday, an official with the agency said.
- The government has pegged 2019-20 chana crop at 11.2 mln tn compared with 9.9 mln tn harvested last year in second advance estimates that was released last Tuesday.
- The National Agricultural Cooperative Marketing Federation of India has stocks of 1.6 mln tn of chana, which the agency bought under the price support scheme in the 2019-20 (Apr-Mar) rabi season.
- A mixed trend was seen in the guar futures on Tuesday, with the guarseed April futures on NCDEX ending marginally down, while guar gum April futures ending the session in green. However, both the commodities trading in narrow ranges, awaiting cues for further cues.
- As per trade sources, export of guar split has declined in the month of February-20. Exports in the month of February-20 are lower by around 40% compared to previous month. India exported around 2020 tonnes of guar split in the month of February-20.
- As per trade sources, export of guar gum has increased in the month of January-20 by 30.37 percent compared to previous month. India exported around 23178.89 tonnes of guar gum at an average FoB of \$ 1710.37 per tonne in the month of January-20 compared to 17779.68 tonnes in December-19 at an average FoB of \$ 1830.69 per tonne. Exports are expected to increase in February-20 on firm demand.
- As per the Agricultural and Processed Food Products Export Development Authority, India shipped 19% lower guar derivatives products to 267823.67 MTs in the first eight month of this financial year against 330974.88 MTs in 2018-19 during the corresponding period of time.
- Lacklusture moves were witnessed in ICEX rubber futures on Tuesday, with the near month April futures ending rather flat. Spot market in Kerala being closed due to lock-down and worries over demand weighed on as well.
- The global consumption of natural rubber is seen lower as industrial activity has been weak in most countries, including China and India, the Association of Natural Rubber Producing Countries said in a release. The association estimated natural rubber consumption may have fallen 19.6% on year in Jan-Mar.



TECHNICAL VIEW

CHANA NCDEX APR	Brief pullbacks to 4170-4200 ranges may not be ruled out. However, slippage past 4120 may see weakness creeping in.	
GUARSEED NCDEX APR	As long as 3380 caps, may trade sideways to weak.	
GUARGUM NCDEX APR	Sustained rise above 5150 ranges is necessary for more upsides, as long as this range caps, may trade sideways with weakness strengthening below 4900 levels.	
RUBBER ICEX APR	May trade sideways to weak as long as 12000 caps.	

TECHNICAL LEVELS

Commodity	Contract	Open*	High*	Low*	Close*	S3	S2	S1	Pivot	R1	R2	R3
SPICES												
Jeera	AprNCDEX	14050	14175	14020	14125	13883	13952	14038	14107	14193	14262	14348
Turmeric	AprNCDEX	5794	5828	5790	5806	5750	5770	5788	5808	5826	5846	5864
Cardamom	AprMCX	1987	2006	1987	2003	1972	1980	1991	1999	2011	2018	2030
Dhaniya	AprNCDEX	5730	5896	5730	5827	5573	5652	5739	5818	5905	5984	6071
Menthaoil	AprMCX	1095.0	1104.9	1087.0	1102.2	1073	1080	1091	1098	1109	1116	1127
PULSES												
Chana	AprNCDEX	4156	4215	4126	4136	4014	4070	4103	4159	4192	4248	4281
Guarseed	AprNCDEX	3320	3362	3278	3310	3187	3233	3271	3317	3355	3401	3439
Guargum	AprNCDEX	5010	5087	5003	5068	4934	4969	5018	5053	5102	5137	5186
OIL & OIL SEEDS												
Soybean	AprNCDEX	3868	3868	3764	3796	3647	3705	3751	3809	3855	3913	3959
RM seed	AprNCDEX	4157	4157	4086	4112	4009	4047	4080	4118	4151	4189	4222
CPO	AprMCX	665.4	667.3	657.0	663.8	648	652	658	663	668	673	679
Soyoil	AprNCDEX	835.0	835.0	825.2	829.8	815	820	825	830	835	840	845
Castor seed	AprNCDEX	4100	4100	4014	4044	3919	3967	4005	4053	4091	4139	4177
CEREALS												
Wheat	AprNCDEX	1855	1855	1855	1855	1855	1855	1855	1855	1855	1855	1855
Barley	AprNCDEX	1650	1650	1645	1648	1640	1643	1645	1648	1650	1653	1655
OTHERS												
Cocud^	AprNCDEX	2114	2128	2044	2066	1947	1995	2031	2079	2115	2163	2199
Kapas	Apr20NCDEX	945.0	951.0	941.0	946.5	931	936	941	946	951	956	961
Cotton	AprMCX	16270	16320	16080	16200	15840	15960	16080	16200	16320	16440	16560
Rubber	AprICEX	11710	11888	11602	11700	11286	11444	11572	11730	11858	12016	12144

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



Strong bias or bullish



Choppy or Sideways



Weak bias or bearish



Mild bullish bias



TRADING SIGNALS

Commodities	Intraday	Overall	Volatility		Short term		Medium term		Long term	
	View	View	1 day	Annualised	3 day EMA	5 day EMA	13 day EMA	22 day EMA	45 day EMA	60 day EMA
Pepper Apr ICEX	FLAT/CHOPPY	NEGATIVE	0.81%	12.9%	FLAT	FLAT	FLAT	NEGATIVE	NEGATIVE	NEGATIVE
Jeera Apr NCDEX	POSITIVE	HIGHLY POSITIVE	1.54%	24.4%	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Turmeric Apr NCDEX	NEGATIVE	NEGATIVE	1.80%	28.6%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE
Cardamom Apr MCX	POSITIVE	NEGATIVE	2.23%	35.4%	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Dhaniya Apr NCDEX	FLAT/CHOPPY	NEGATIVE	2.17%	34.4%	POSITIVE	NEGATIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE
Chana Apr NCDEX	NEGATIVE	POSITIVE	1.61%	25.6%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Guarseed10 Apr NCDEX	NEGATIVE	HIGHLY NEGATIVE	2.14%	34.0%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Guargum Apr NCDEX	POSITIVE	FLAT/CHOPPY	2.47%	39.2%	POSITIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE
Soybean Apr NCDEX	NEGATIVE	FLAT/CHOPPY	1.98%	31.5%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	NEGATIVE
Ref. Soyoil Apr NCDEX	FLAT/CHOPPY	POSITIVE	1.93%	30.6%	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
RMseed Apr NCDEX	NEGATIVE	POSITIVE	1.32%	21.0%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
CPO Apr MCX	FLAT/CHOPPY	FLAT/CHOPPY	2.26%	35.8%	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE
Castor Apr NCDEX	NEGATIVE	POSITIVE	1.64%	26.0%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Kapas19 Apr NCDEX	FLAT/CHOPPY	NEGATIVE	1.46%	23.2%	FLAT	FLAT	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Cotton Apr MCX	POSITIVE	NEGATIVE	1.29%	20.5%	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE
Cocudakl Apr NCDEX	NEGATIVE	POSITIVE	2.80%	44.5%	NEGATIVE	FLAT	POSITIVE	POSITIVE	POSITIVE	POSITIVE
Wheat Apr NCDEX	FLAT/CHOPPY	NEGATIVE	1.11%	17.7%	FLAT	FLAT	FLAT	NEGATIVE	NEGATIVE	NEGATIVE
Barley Apr NCDEX	NEGATIVE	NEGATIVE	0.77%	12.2%	NEGATIVE	NEGATIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE
Menthaoil Apr MCX	POSITIVE	FLAT/CHOPPY	1.43%	22.7%	POSITIVE	POSITIVE	POSITIVE	NEGATIVE	NEGATIVE	NEGATIVE
Rubber Apr ICEX	NEGATIVE	HIGHLY NEGATIVE	1.42%	22.5%	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE	NEGATIVE

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.

Intraday and Overall view The section is consist of both Intraday and Overall view. The Intraday view is calculated by netting out of POSITIVES/NEGATIVES/FLAT signals formed in the short term trend. On the another part, Overall view is calculated by netting out number of POSITIVES/NEGATIVES/FLAT signals formed in the short, Medium and long term trend.

Volatility is a measure for dispersion of price of a financial instrument over a period of time by using Standard deviation and annualised actual volatility. Standard deviation is used to to calculate one day volatility. Whereas, Annualized Actual Volatility (AAV) is measured as annualized standard deviation of the continuously compounded daily returns of the asset. Generally the thumb rule is that, higher the volatility higher the risk of the asset. See the table below the range risk ratings.

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

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CERTIFICATION,

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