

MARKET NEWS/UPDATES

- The Cotton Association of India today said it has retained the country's production estimate for 2023-24 (Oct-Sep) at 31.8 mln bales (1 bale = 170 kg). The association updates its estimates almost every month, based on information received from its members in 11 cotton-growing states and other trade sources. The association will meet on Sep 11 to discuss cotton production, consumption, exports, and imports, it added. As of Jul 31, mills across India pressed 31.4 mln bales, the Cotton Association said in a release. The total cotton supply in the country is pegged at 35.1 mln bales, with imports at 800,000 bales, it said. Cotton production in the north zone, which comprises Punjab, Haryana, and Rajasthan, is estimated at 4.6 mln bales, up 300,000 bales from last year. As of Jul 31, the region had produced 4.54 mln bales of cotton. The estimate for the central zone, which comprises Gujarat, Maharashtra, and Madhya Pradesh, is 19.3 mln bales, down from 19.5 mln bales last year. As of Jul 31, 19.4 mln bales of cotton had been produced in this zone. The estimate for the south zone is 7.3 mln bales compared to 7.5 mln bales last year. The zone has produced 6.9 mln bales of cotton as of Jul 31. Other states account for the rest of the output. The opening stock for the season starting October was estimated at 2.9 mln bales, the association said. The total supply of cotton for the 2023-24 season is estimated at 36.3 mln bales, up from 35.5 mln bales a year ago. The association has estimated imports in 2023-24 at 1.64 mln bales, higher than the 1.25 mln bales imported in 2022-23. The association has estimated domestic demand in 2023-24 at 31.7 mln bales, up from 31.1 mln bales the previous year. It has pegged exports at 2.6 mln bales, up from 1.6 mln bales in the previous cotton season. Consumption till Jul 31 is estimated at 26.7 mln bales.
- Heavy rainfall in the southern state of Andhra Pradesh since Friday is proving to be a threat to the standing kharif crops in the state. According to a preliminary crop damage report prepared by the state's horticulture department and shared with Informist, 15,109 ha of horticulture crops have been affected by the heavy rainfall. Chilli, vegetables, banana, betel vine, papaya, flowers, oil palm, turmeric and guava are the main crops affected, the report showed. "Major districts in which horticulture crops were affected are Guntur, Krishna, NTR, Bapatla, and Palnadu," according to the report. The threat arises directly due to severe inundation as there are no chances to drain excess water from fields in two to three days due to floods caused by overflow of the Krishna River, said K. Balaji Naik, additional director in the state horticulture department. Among the damaged crops, the share of the chilli crop is nearly 35%. The current chilli crop in the state is just two to three months old and was transplanted from nurseries, Naik said. The affected area will now need to be replanted, which is expected to delay the crop by two to three months, he said. As of Tuesday, the area under chilli is 119,281 ha in the state, while the crop was sown over 607,440 ha in the previous year. Turmeric, which is also one of the important crops in these districts, has also suffered damage with more than 3,100 ha affected due to the current heavy rainfall and floods. Over 1,200 ha of the total damage was recorded in Bapatla district. More than 4,700 turmeric farmers have been affected so far, the data showed. As of today, the area under turmeric in the state is 15,482 ha. Last year, the crop was sown over 33,283 ha in the state.
- Farmers across the country have sown kharif crops across 108.7 mln ha as of Monday, up 2% from a year ago, with notable increases in acreage of paddy and pulses, data from the agriculture ministry showed. The sowing has improved since July due to increased rainfall after a slow start in June. The area under rice, one of the most important kharif crops, rose 4% on year to 40.9 mln ha as of Monday. After deficient production last year, the acreage under pulses was also up nearly 7.3% on year at 12.5 mln ha as of Monday. Within pulses, acreage under tur was significantly up by 12.4% on year at 4.6 mln ha, data from the ministry showed. The sharp increase in tur acreage was mainly due to the early onset of the southwest monsoon in top tur-producing states such as Karnataka. During the previous kharif season, the sowing of crops was delayed owing to the erratic monsoon. Tur acreage in Karnataka was up 23% on year at 1.6 mln ha as of Aug 23, the state's sowing data showed. Similarly, the area under maize in Karnataka was at 1.6 mln ha as of Aug 23, from 1.5 mln ha a year ago. Maize acreage across the country was up 5% at 8.7 mln ha as of Monday. The area under oilseeds was 19.1 mln ha, up 1% from the corresponding period a year ago. Soybean acreage rose 1% on year to 12.5 mln ha. The acreage under cotton was 11.2 mln ha, down 9% from a year ago. Acreage under groundnut increased 9% to 4.7 mln ha, the release said. In September, rainfall is likely to be above normal in most parts of India at over 109% of the long-period average, the India Meteorological Department said. However, some parts of extreme north India, south peninsular India, and most parts of northeast are likely to receive below-normal rainfall, the department said in its monthly forecast for September. The forecast indicates a higher likelihood of La Nina conditions developing during the end of the monsoon season, it said, adding that there is a 66% chance of La Nina during Sep-Nov. The La Nina weather phenomenon will set in after a year of El Nino conditions over India. While the La Nina brings good rainfall in India, the El Nino is associated with a hotter and drier climate over the country.

TECHNICAL VIEW

<p>JEERA NCDEX SEP</p>	<p>Dips to 25850/25400 ranges may not be ruled out. An unexpected fall below 24500 may dampen sentiments.</p>	
<p>DHANIYA NCDEX SEP</p>	<p>Unless 7050 is breached convincingly upside, choppy moves with a mild negative bias may not be ruled out.</p>	
<p>TURMERIC NCDEX OCT</p>	<p>A sustained rise above 13900 range required for the sentiments to improve. Else, choppy to weak trades expected.</p>	
<p>COCU- DAKL NCDEX SEP</p>	<p>Profit booking may continue. However, a direct voluminous rise above 3710 may probably call for more upsides.</p>	
<p>KAPAS NCDEX APR25</p>	<p>May trade sideways to weak unless 1638 is breached convincingly upside. A direct voluminous rise above the same may call for 1645/1660 or even more.</p>	
<p>COTTON CANDY MCX SEP</p>	<p>Choppy moves expected</p>	
<p>CASTOR NCDEX SEP</p>	<p>A rise above 6180 or a fall past 6020 may lend fresh direction for the day.</p>	
<p>GUAR- SEED NCDEX SEP</p>	<p>Unless 5380 is breached convincingly upside, may trade sideways to weak.</p>	
<p>GUARGUM NCDEX SEP</p>	<p>A voluminous rise above 10650 is required for sentiments to improve. Inability to clear the same may call for sideways to weak trades. A direct voluminous fall past 10340 may dampen sentiments.</p>	
<p>SUNOIL NCDEX SEP</p>	<p>Choppy to weak trades expected.</p>	



TECHNICAL LEVELS

Commodity	Exchange	Open*	High*	Low*	LTP*	S3	S2	S1	Pivot	R1	R2	R3
JEERAUNJHA SEP4	NCDEX	26850	26850	25955	26100	24858	25407	25753	26302	26648	27197	27543
TMCFGRNZM OCT4	NCDEX	13528	13528	13086	13430	12726	12906	13168	13348	13610	13790	14052
DHANIYA SEP4	NCDEX	6952	6970	6842	6884	6699	6771	6827	6899	6955	7027	7083
CASTORSEED SEP4	NCDEX	6127	6158	6088	6110	6009	6088	6079	6119	6149	6189	6219
GUARSEED10 SEP4	NCDEX	5322	5354	5294	5315	5228	5261	5288	5321	5348	5381	5408
GUARGUM5 SEP4	NCDEX	10502	10560	10382	10455	10193	10288	10371	10466	10549	10644	10727
MENTHAOIL SEP4	MCX	977.0	977.0	966.4	969.8	955	960	965	971	976	982	986
COCUDAKL SEP4	NCDEX	3700	3700	3580	3622	3448	3514	3568	3634	3688	3754	3808
KAPAS APR5	NCDEX	1629.0	1636.0	1622.0	1627.5	1607	1615	1621	1629	1635	1643	1649
COTTONCNDY SEP4	MCX	58860	59200	58860	59200	58633	58747	58973	59087	59313	59427	59653
SUNOIL SEP4	NCDEX	939	940	936	938	932	934	936	938	940	942	944

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 SEP4	NCDEX	FLAT/CHOPPY	POSITIVE	NEGATIVE	Neutral	Strong	1.90%	30.2%
TMCFGRNZM OCT4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Oversold	Strong	2.05%	32.5%
DHANIYA SEP4	NCDEX	NEGATIVE	POSITIVE	POSITIVE	Neutral	Strong	0.85%	13.5%
GUARSEED10 SEP4	NCDEX	NEGATIVE	POSITIVE	POSITIVE	Neutral	Strong	1.17%	18.5%
GUARGUM5 SEP4	NCDEX	NEGATIVE	POSITIVE	POSITIVE	Neutral	Strong	1.49%	23.6%
CASTORSEED SEP4	NCDEX	NEGATIVE	NEGATIVE	NEGATIVE	Neutral	Strong	0.56%	8.8%
KAPAS APR5	NCDEX	FLAT/CHOPPY	POSITIVE	POSITIVE	Neutral	Strong	0.87%	13.8%
COTTONCNDY SEP4	MCX	POSITIVE	POSITIVE	POSITIVE	Overbought	Weak	0.76%	12.0%
COCUDAKL SEP4	NCDEX	NEGATIVE	POSITIVE	POSITIVE	Overbought	Strong	2.19%	34.8%
MENTHAOIL SEP4	MCX	NEGATIVE	POSITIVE	NEGATIVE	Neutral	Strong	1.27%	20.2%
SUNOIL SEP4	MCX	FLAT/CHOPPY	POSITIVE	POSITIVE	Overbought	Strong	0.61%	9.7%

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

Source: Informist (Cogencis), Reuters, e-News , NCDEX, MCX, and other International exchanges.



Strong bias or bullish



Weak bias or bearish



Mild bullish bias



Choppy or Sideways



Mild bearish bias



Choppy with positive note



Choppy with negative note

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