



NCDEX WEEKLY REPORT

09 OCT -13 OCT 2017

Email – info@capitalcow.com

Call Us - 07316008000 OR VISIT www.capitalcow.com

COMMODITY WEEKLY NEWS UPDATES:

SOYAREFINED:

Slight recovery in International markets amidst poor selling interest in domestic market improved market sentiments for ref soy oil. Therefore Soya oil found buying support at 662- 663. Good export figure of palm oil for August month, released few weeks back are often supporting soya oil market these days. Approaching festive season and talks of drop in India's soybean acreage and forecast of drop in global oil inventory will be seen as a positive factor as of now.

RM SEED:

With spot demand likely to remain stable during this festive season, an overall moderate firm trend is not ruled out for now with intermittent profit booking. As per the USDA report the forecast for rapeseed production in Canada is lowered and more than offsets gains in Russia.

It may be recalled that mustard's overall trend was bullish during last month, in line with the expectations. Talks of rape oil demand to remain healthy during the rainy season, on anticipated rise in consumption of home made snacks, in addition to limited supply pace was the major supporting factor during that period.

MENTHA OIL:

Trade sources had anticipated almost similar sowing for current year. Last year, the country had reportedly produced 35000 metric tonnes. This year, traders are expecting a crop size of nearly 25000-30,000 metric tonnes. Trade sources estimate that total area under Mentha planting has dropped by 20% to 1.75 lakh ha this season resulting into a proportionate fall in Mentha oil production this year. However, a pick up in sowing over last couple of weeks have ensured prices falling for the commodity, as low demand further pressurized market sentiments.

COTTON/KAPAS:

Prices traded near the strong psychological support of 8000 as markets failed to take strong trend. Prospects of higher arrivals of the new crop in coming weeks kept pressure on the market sentiments though. Good rains in Rajasthan till few weeks back raised prospects of better crop productivity for Guar as that

pressurized market sentiments. However, too much downtrend may be limited as exports too rise aided by a continuously strengthening Dollar vs Rupee.

JEERA:

Markets traded with high volatility for Jeera as lack of strong domestic demand amidst prospects of better crop sowing kept pressure on the market sentiments. However, rising export demand kept providing support near the 19000 levels. The recent rains in Gujarat/ Rajasthan created possibilities of improved moisture content in the soil—leading to a higher sowing of the new crop starting next month.

TURMERIC:

Latest reports from Erode in Tamil Nadu indicate a drastic fall in sowing in those regions due to a drought like situation this year. As per trader estimates, the production this year is expected to fall to 1-3 lakh bags from the normal 15-20 lakh bags seen on an average. This lower production will be to some extent compensated by a higher production expectation from AP and Maharashtra. However, rains at this time would be critical for the crop in Maharashtra, while excess rains will be harmful for AP crop. Rains in TN will have negligible impact. Lack of dams is adversely affecting the crop in TN due to 2 unfavorable monsoons. Total demand is expected at 105 lakh bags approx till Feb next year—as per traders. The overall stock level is expected far below that—leading to a demand-supply gap. Quality is better in AP/Maharashtra than in TN. This demand-supply gap is expected to keep prices firm in the medium term.

SOYABEAN:

Near term sentiments looks weak while broader term outlook is not strongly bearish since most feel that an overall slower progress of the monsoon in Maharashtra, and unattractive prices last year might lower planting intentions of the growers. Lack of demand in domestic market amidst weakness in International markets also kept pressure on prices. Soybean ended lower amid talks of recent rains in MP have created apprehensions of improved crop productivity. But strong oversold situation is most likely to give an upward push in coming days.

TRADING STRATEGY:

RECOMMENDATION: SELL CHANA (OCT) B/W 5400-5450 TGT 5200-5000 SL 5500

TRADING STRATEGY:

RECOMMENDATION: SELL JEERA (OCT) B/W 19200-19300 TGT 18600-18000 SL 19800

RECOMMENDATION IN ALL:

SCRIPT NAME	TREND	CLOSING PRICE	RECOMMENDATIONS
SOYABEAN	2910	BEARISH	SELL ON RISE
JEERA	19035	BEARISH	SELL ON RISE
RM SEED	3711	BULLISH	BUY IN DIPS
TURMERIC	7394	BEARISH	SELL ON RISE
DHANIYA	4505	BEARISH	SELL ON RISE
MENTHA OIL	1216	BULLISH	BUY IN DIPS
REF SOYAOIL	657.60	BULLISH	BUY IN DIPS
COCUDAKL	1511	BULLISH	BUY IN DIPS
CHANA	5262	BULLISH	BUY IN DIPS
CASTOR SEED	4485	BEARISH	SELL ON RISE

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