



PARADIGM COMMODITIES ADVISORS

Agri Updates-17th November 2023

Spices witness active speculative selling: Kapas and cotton cake reacts lower: Guar and gum trades erratic

Please Read this before you trade: Agri outlook given here is positional in nature and valid for 3-5 working sessions. A directional view means validity of trade is 4-8 week. All levels are just indicative. Entry and exit are valid for 2-3 working days. Readers are advised to use marginal discretion while take a call based on prevailing market conditions

Guar and Gum

Commodity	Strategy	Entry	Target 1	Target 2	Sl is closing basis	Tech Range	Tec. Trend
NCDEX Dec guar	No call	NA	NA	NA	NA	5570-5930	Volatile rangebound

Outlook: Guar is a circular commodity- Guar keep testing 54000-5600 and 6100-6300 in a repetitive manner. Due to long shelf life and incredibly low storage cost- handsome return in proxy hedge- guar offers nice cash-carry arbitrage- vyaj badala. Preferred bias to go long in physical guar around 950-980

Strategy: No call.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Dec gum	Sell	11900	11550	11300-350	Closing basis 12600	11000-12000	Rought market

Outlook: Guar gum is a trend less market.

Strategy: Sell on rally.

Spices

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Mar Jeera- High risk	Bought	36600-800	37400-600	38200-400	35400	35800-38800	Deflating bubble

Outlook: Jeera futures are showing erratic wild swings amid a mild deflating bubble. Weather is still a wild card and it is too early to call for the start of bear market. If all goes well and production turn out to be normal, jeera price may see meaningful decline. However, weather is wild card. May be only wild card.

Strategy: We have given buy call @ 36600-800 on 15th Nov. Today mkt low 36400. CMP is 37200. Book part profit @ 37400-600.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Apr TMC	Sell	16500	Open	Open	17200	14800-16800	Trendless

Outlook: TMC is seen as a promising commodity with half a euphoria and half a structural rally. Time cycle indicates that possible upside may come between Jan-Mar. Even if a bull market is to be realized. There is high probability that TMC may prove to be a kaput rally. A head fake bull market. A fight between hope and reality. More on this in later reports.

Strategy: we have given sell call @ 16500 on 15th Nov. Mkt high on that day 15296. We missed entry by 200-250. Today, prices are almost down 5%. Dec-April contango or vyajbadala is very high. Market look well supplied.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Dec Dhania High risk call	Buy	7750-7820	8180-8200	8250-8300	7430	7500-8400	Hyper volatile

Outlook: Dhania futures reacted lower on profit taking and lack of follow up demand. Weather is cool and friendly for winter sowing. Dhania may lose sizable acreage to cumin and chana. Some acreage may be lost to mustard. Overall outlook is cautiously bullish. Carry- vyajbadala is high hence Buying physical and selling futures may be a rewarding strategy for skilled prop desks.

Strategy: Buy around 7750-7820.

Cottonseed complex

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
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NCDEX Jan cocud	Sold	2940	2890	2830	Trail sl 2940	2830-2990	Bubble
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Outlook: Cocud market is a developing bubble amid delayed season and some speculative build up. MP based leading speculator is long. Commercial hedgers -arb desk with deep money is waiting for cash-carry set up. Demand for cocud is too weak due to uncontrolled adulteration. NCDEX contract has lost trust of being a reliable dmat quality Khal. Deposits of subpar Khal- a very strong belief- false or true- we don't know- But most of stake holders from physical side prefer to not to participate in cocud. Once upon a time cocud volume were 4-5 lac tons. Physical stocking has lost its relevance due to unethical practices.

Strategy: Sold @ 2940 on 16th Nov. Call given on 15th Nov. On that day mkt high was 1540. As we suggested- always use 5 to 15 rs flexibility in entry or exit. Todays ALGO are smart and they can read ORDERS and some ALGOS r powerful-smart enough to trigger SL. Hit and Run is too common now a days. On roads and also in market place. 1st tgt 2890 achv. 50% profit may be booked. Revise SL to 2940- cost to cost SL.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Apr 24 Kapas- Directional	Sell	1590-95	Open	Open	Closing basis 1644	1520-1620	Volatile

Outlook: Kapas market traded volatile just like circular market. Macro fundamentals are bearish due to super weak yarn demand.

Strategy: Sell on rally. This is directional call having 4-8 week time frame.

Oilseed complex

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Jan castor	Buy	5800-5820	5980-6000	6050-80	Closing basis 5640	5770-6070	Trendless

Outlook: Castor market looks trendless. Undercurrents are mild positive amid promising castor oil export momentum. Castor oil exports for full Calander looks almost 50000 higher than last Calander. We are working on the expected numbers. On cumulative basis Jan-Oct castor oil exports are 38000 tons more. 305 vs 278 LY.

Strategy: Buy on dips.

Commodity	Strategy	Entry	Target 1	Target 2	Stop loss	Tech Range	Tec. Trend
NCDEX Dec sun oil	Buy	885-890	905-907	912	863-closing basis	870-920	Evolving mkt

Outlook: Sunflower oil futures reacted lower due to broader weakness in soy oil and palm oil. Volume is impressive given prevailing melancholy mood in oilseed complex.

Strategy: Buy on dips.

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