

Commodity: Cotton

Exchange: MCX

Contract: Nov.

Expiry: Dec. 31, 2020

Cotton



Technical Commentary:

- Cotton broke down through a trendline resistance early last week, but kept pace with the trendline for a few days. Now it has started showing some gradual weakness, as against a sharp fall that would be normally expected.
- Although prices have been making higher highs and higher lows, the RSI has diverged with a lower low.
- After the breach of the trendline, the prices were being supported at 18-day EMA until recently, but yesterday that support also got breached. The market closed at 19840 while the 18-day EMA was at 19869.
- Further fall is expected in cotton. One may take 50% of the desired short exposure at the current levels and the balance 50% if the market bounces back to 20350. Stoploss must be maintained at 20450.
- A more conservative trade would be to not enter the trade at 19850 and sell only at 20350 if that level is seen.

Strategy: Sell on rise

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	19000	19340	19840	20350	20450
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Sell	19850 / 20350	19350	19000	20450

* Positions may be carried forward, but stoploss should be strictly adhered.

Commodity: Cotton Seed oil Cake
Contract: Dec
Exchange: NCDEX
Expiry: Dec 19th, 2020
Cottonseed Oilcake

COTTON SEED OIL 1st(NCCOUC1)2020/12/03 - Daily B:2092.00 A:2098.00
 O 2148.00 H 2148.00 L 2078.00 C 2096.00 V 21,020 I 32,530 -24 -1.13%
 EMA(9) 2098.3 (18) 2049.3 (50) 1956.9


Technical Commentary:

- Cottonseed Oilcake broke above a trendline resistance last week.
- During last two days, the price re-tested the trendline but stayed above it. Our buy calls at 2075-2085 have been initiated.
- On the weekly chart, EMA-9 had crossed above EMA-18 three weeks ago, and has also crossed above EMA-50 last week. Also, EMA-18 is converging with EMA-50.
- Long positions have been carried forward from previous two days. New entrants can still enter longs in the range of 2075 to 2085. Stoploss for all positions must be maintained at 2050. Targets of 2200 and 2240 may be expected in about a week.

We will advise traders to wait.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1986	2075	2096	2210	2427
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2075-2085	2200	2240	2050

* Positions may be carried forward, but the stoploss must be strictly adhered.

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