

Commodity: Cotton

Contract: Dec.

Exchange: MCX

Expiry: Dec 31, 2020

Cotton



Technical Commentary:

- Cotton broke down through a trendline resistance two weeks ago and has started diverging lower gradually last week.
- On the daily chart, RSI has shown two instances of negative divergences over the last two weeks.
- 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. We had recommended short positions, 50% of the exposure at 19840 and balance 50% if market rises to 20350. Hence our short positions at 19840 are currently open. Further short positions can be taken at 20350. Stoploss must be maintained at 20450.

Strategy: Sell on rise

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton	MCX	Dec	19000	19360	19880	20350	20440
			Call	Entry	T1	T2	SL
Cotton	MCX	Dec	Sell	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)2020/12/04 - Daily B:2075.00 A:2080.00
O 2100.00 H 2123.00 L 2077.00 C 2089.00 ↑ V 20,880 I 30,510 -7 -0.33%
EMA(9) 2096.4 (18) 2053.4 (50) 1962.1



Technical Commentary:

- Cottonseed Oilcake broke above a trendline resistance two weeks ago.
- During last three sessions, 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 four 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 2080. Stoploss for all positions must be maintained at 2050. Targets of 2200 and 2240 may be expected in about a week.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Cotton oil cake	NCDEX	Dec	1987	2072	2089	2210	2427
Intraday Trade Call			Call	Entry	T1	T2	SL
Cotton oil cake	NCDEX	Dec	Buy	2075-2080	2200	2240	2050

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

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