▶ About Us

Mr. Ajay Kedia

**Director,
Kedia Advisory**

❑ Incorporated in 2004, Kedia Advisory is one of the leading SEBI Registered Research House having an unmatched and incomparable award winning research services with manifested pedigree of more than 15 years.

❑ Being a Market Leader specialising in Commodities, Equity and Currency Markets, our research and various reports including outlook and views on various products have been benefiting our clients immensely and helping them to take a better informed decision for over 15 years now.

❑ Mr Ajay Kedia (Founder, Director) has been instrumental and continues to be the guiding force since inception for setting up various processes and methodologies across various products including technical and fundamental research in making our advisory division an award winning advisory division.

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Recap

1. **Relative Strength Index** - RSI measures the magnitude of recent price changes to evaluate overbought or oversold conditions.
   a. 70/30 Strategy
   b. 52/48 Strategy
2. **Moving Averages** - Moving average helps smooth out the price data by creating a constantly updated average price.
   a. Bullish Moving Average Cross
   b. Bearish Moving Average Cross
   c. Golden Cross
   d. Death Cross
   e. Strategy EMA-25,EMA-50
   f. Strategy 7,14,21 SMA
3. **MACD** - MACD helps investors understand whether the bullish or bearish movement in the price is strengthening or weakening.
   a. Bullish Crossover
   b. Bearish Crossover
4. **Bollinger Band**
5. **Vortex Index**

Contents

Important Technical Indicators

1. Choppiness Index
2. Supertrend
3. Directional Movement Index (DMI)
4. Fibonacci Retracement
5. Ichimoku Cloud
6. Sample Charts for Reference

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Introduction to Technical Analysis

Open Interest (OI)

Open Interest

- Open interest is the total number of outstanding derivative contracts, such as options or futures that have not been settled.

- Open interest equals the total number of bought or sold contracts, not the total of both added together.

- Open interest is commonly associated with the futures and options markets.

- Increasing open interest represents new or additional money coming into the market while decreasing open interest indicates money flowing out of the market.

Identify Market Interpretation Using Price Volume & Open Interest						
Price		Volume		Open Interest		Interpretation
▲	Rising	▲	Rising	▲	Rising	A. Strong B. Bullish C. Price Continue to Rise
▲	Rising	▼	Falling	▼	Falling	A. Weakening B. Moderately Bearish C. Current Uptrend is Weakening
▼	Falling	▲	Rising	▲	Rising	A. Weak B. Bearish C. Downtrend is Continues
▼	Falling	▼	Falling	▼	Falling	A. Strengthening B. Moderately Bullish C. Current Downtrend Weakening

- Price increasing during an uptrend and open interest on the rise are interpreted as new money coming into the market. That reflects new buying, which is considered bullish.

- If the price is rising and the open interest is on the decline, short sellers covering their positions are causing the rally. Money is, therefore, leaving the marketplace. This is taken as a bearish sign.

- If prices are in a downtrend and open interest is on the rise, it suggests new money is coming into the market. This shows aggressive new short selling. They believe this scenario will lead to a continuation of a downtrend and a bearish condition.

- Suppose the total open interest is falling off and prices are declining. This scenario suggests weakening of downtrend and start of strong position as most of the sellers have sold their positions.

Trading Idea

Open Interest (OI)

COMMODITY EVENING ROUND-UP

Friday, June 19, 2020

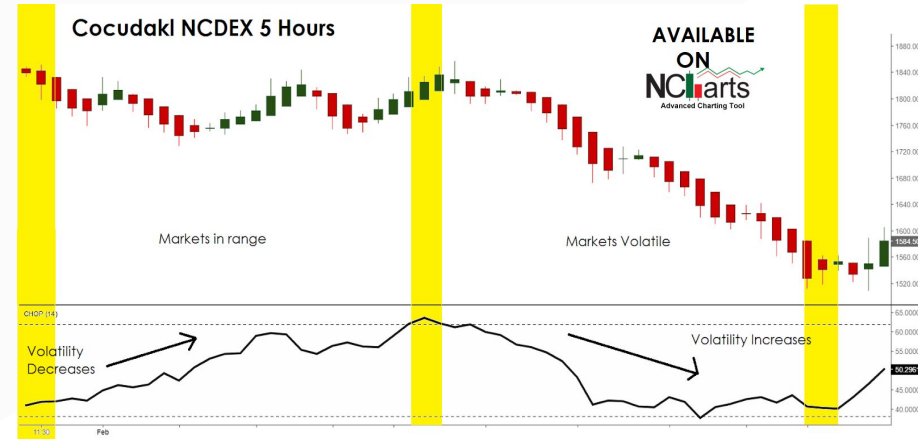| Commodity	Ltp*	% CNG	S3	S2	S1	R1	R2	R3	Volume	OI CNG	OI Status	52W Hi	52W Lo
Precious Metal Complex													
Gold Aug 2020	47427	0.15 ▲	47138	47233	47330	47522	47617	47714	3603	5.0	Fresh Buying	48190	39200
Silver Jul 2020	48097	0.49 ▲	47352	47542	47820	48288	48478	48756	8485	10.7	Fresh Buying	51235	34076
Base Metals Complex													
Copper Jun 2020	448.60	0.65 ▲	443.0	444.5	446.6	450.2	451.7	453.8	7000	43.3	Fresh Buying	451.20	380.00
Aluminium Jun 2020	136.75	0.00 ▼	135.9	136.2	136.5	137.1	137.4	137.7	906	19.4	Fresh Selling	139.20	129.60
Lead Jun 2020	142.90	-0.21 ▼	141.3	141.8	142.4	143.5	144.0	144.6	2162	42.3	Fresh Selling	147.95	130.70
Nickel Jun 2020	986.50	0.16 ▲	970.5	975.4	980.9	991.3	996.2	1001.7	4074	34.4	Fresh Buying	994.00	902.30
Zinc Jun 2020	162.80	0.68 ▲	159.5	160.3	161.6	163.7	164.5	165.8	4861	21.7	Fresh Buying	165.40	145.30
Energy Complex													
Crude oil Jun 2020	3030	2.50 ▲	2893	2937	2984	3075	3119	3166	43044	115.7	Fresh Buying	4415	1361
Natural gas Jun 2020	126.10	-0.08 ▼	124.0	124.6	125.3	126.6	127.2	127.9	34490	33.9	Fresh Selling	179.1	122.1
Oilseeds Complex													
CPO Jun 2020	715.5	2.19 ▲	686	695	705	724	732	742	1744	-6.7	Short Covering	721.2	557.4
Soyabean Jul 2020	3792	0.74 ▲	3637	3673	3733	3829	3865	3925	21030	-1.0	Short Covering	3928	3300
Ref.Soya oil Jul 2020	835.8	1.63 ▲	812	818	827	842	848	857	16990	-1.0	Short Covering	839.6	707.6
Rmseed Jul 2020	4729	-0.34 ▼	4682	4703	4716	4750	4771	4784	18690	0.2	Fresh Selling	4758	3849
Castor Jul 2020	3862	0.26 ▲	3775	3803	3833	3891	3919	3949	5400	1.4	Fresh Buying	3890	3530
Spices Complex													
Dhaniya Jul 2020	6070	0.38 ▲	5953	5987	6028	6103	6137	6178	400	0.6	Fresh Buying	6095	5404
Jeera Jul 2020	13725	0.26 ▲	13523	13602	13663	13803	13882	13943	417	1.8	Fresh Buying	14120	12950
Turmeric Jul 2020	5708	1.06 ▲	5526	5588	5648	5770	5832	5892	2250	-1.7	Short Covering	5772	5210
Others													
Cotton Jun 2020	16090	-0.25 ▼	15970	16030	16060	16150	16210	16240	283	-2.4	Long Liquidation	19800	14960
Chana Jul 2020	4231	1.44 ▲	4096	4126	4179	4262	4292	4345	26230	2.4	Fresh Buying	4300	3990
Mentha oil Jun 2020	1002.1	0.88 ▲	970	980	991	1013	1023	1034	76	-1.0	Short Covering	1114.9	977
Guarseed10 Jul 2020	3665	2.20 ▲	3504	3548	3606	3708	3752	3810	20130	0.5	Fresh Buying	3693	3444
Guargum5	5644	2.17 ▲	5377	5449	5546	5715	5787	5884	10120	-3.0	Short Covering	5758	4802
Cocudakl Jul 2020	2196	0.69 ▲	2137	2155	2175	2213	2231	2251	27140	2.4	Fresh Buying	2256	1745
CURRENCY													
USDINR Jun 2020	76.2325	0.09 ▲	75.9975	76.0975	76.2000	76.4025	76.5025	76.6050	1173865	-0.4	Short Covering	79.18	71.25
EURINR Jun 2020	85.3675	-0.32 ▼	84.9600	85.1500	85.2100	85.4600	85.6500	85.7100	85723	-4.0	Long Liquidation	86.61	78.71
GBPINR Jun 2020	94.3800	-1.01 ▼	93.5075	93.9400	94.1675	94.8275	95.2600	95.4875	189185	14.1	Fresh Selling	98.65	87.90
JPYINR Jun 2020	71.2800	0.17 ▲	71.0200	71.1175	71.2025	71.3850	71.4825	71.5675	46494	26.0	Fresh Buying	72.10	66.49

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Choppiness Index

- **The Choppiness Index (CHOP) is an indicator designed to determine if the market is choppy (trading sideways) or not choppy (trading within a trend in either direction).**
- **It is a range-bound oscillator, The Choppiness Index has values that always fall within a certain range. CHOP produces values that operate between 0 and 100.**
- **Choppiness Index is not meant to predict future market direction, it is a metric to be used to for defining the market's trendiness only.**
- **The closer the value is to 100, the higher the choppiness (sideways movement) levels.**
- **The closer the value is to 0, the stronger the market is trending (directional movement)**
- **Common threshold values are popular Fibonacci Retracements. 61.8 for the high threshold and 38.2 for the lower threshold.**
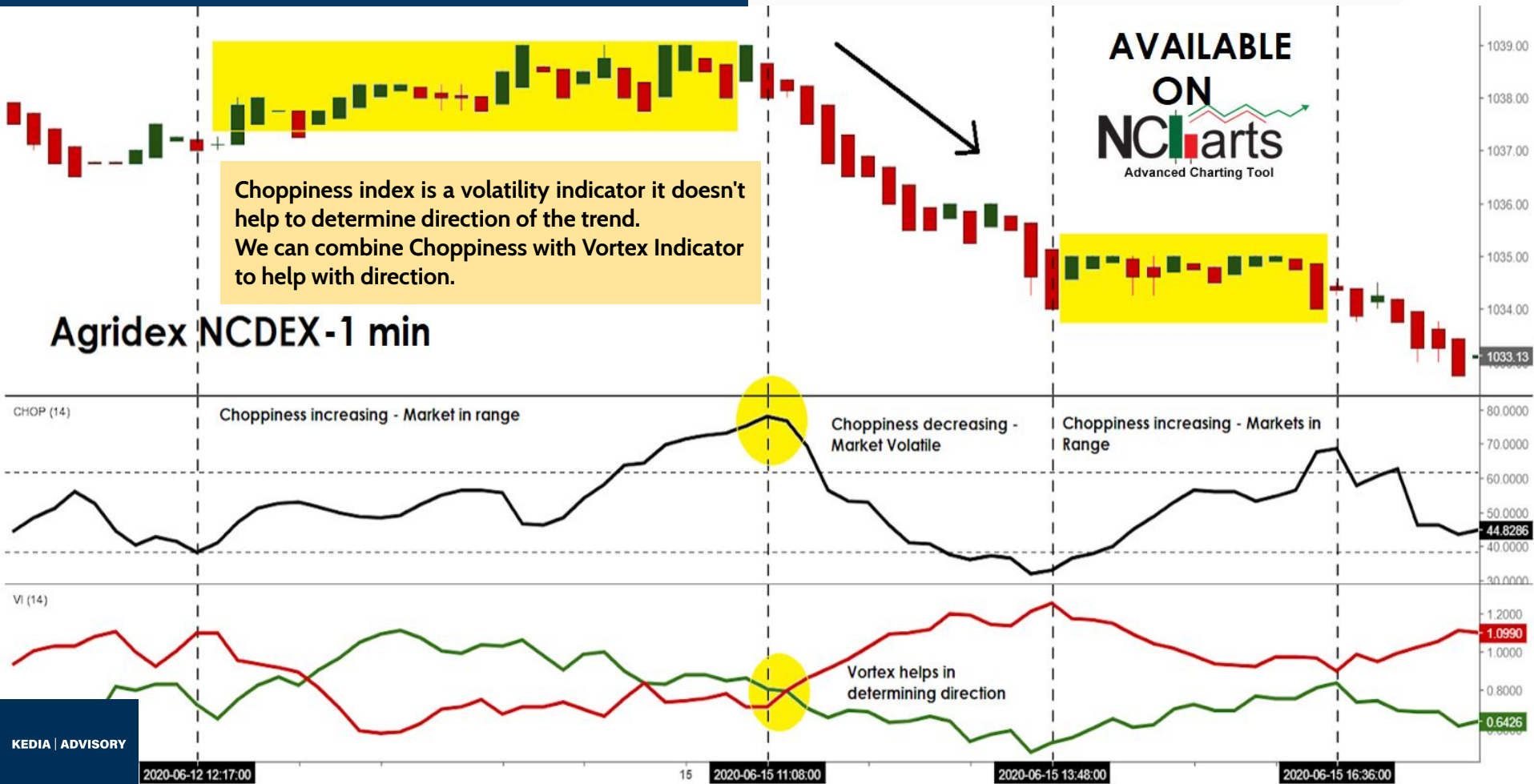
Trading Idea- Choppiness and Vortex

Choppiness Index

Choppiness index is a volatility indicator it doesn't help to determine direction of the trend.
We can combine Choppiness with Vortex Indicator to help with direction.

AVAILABLE ON NCharts
Advanced Charting Tool

Agridex NCDEX-1 min

CHOP (14)

Choppiness increasing - Market in range

Choppiness decreasing - Market Volatile

Choppiness increasing - Markets in Range

VI (14)

Vortex helps in determining direction

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2020-06-12 12:17:00   15   2020-06-15 11:08:00   2020-06-15 13:48:00   2020-06-15 16:36:00

Directional Movement Index (DMI)

- The Directional Movement Index (DMI) is composed of two lines, and an optional one, showing selling pressure (-DI), showing buying pressure (+DI), and a ADX line showing the difference between the former positive and negative lines.
- A +DI line above the -DI line means there is more upward movement than downward movement.
- A -DI line above the +DI line means there is more downward movement than upward movement.
- Crossovers can be used to signal emerging trends. For example, the +DI crossing above the -DI may signal the start of an uptrend in price.
- The larger the spread between the two lines, the stronger the price trend.

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MA 25, MA 50 & DMI Trading Idea

Directional Movement Index (DMI)

Coriander NCDEX 15 min

MA 25 crosses below MA 50 Gives confirmation of weak market

Markets Range bound

MA 25
MA 50

3 green candles in heiken ashi suggesting bullish trend

MA 25 crosses above MA 50

AVAILABLE ON NCharts
Advanced Charting Tool

ADX reaches high- Prices looses its momentum

DMI (14, 14)
+DI
-DI
ADX

+DI crosses above -DI gives bullish signal

ADX crossing above 25 suggesting strength

-DI crosses above +DI : But momentum weak. Small fall in prices

6680.00
6640.00
6600.00
6582.00
6560.74
6560.17
6520.00
6480.00
6440.00
6400.00
6360.00
6320.00
6280.00
6240.00
6200.00

80.0000
60.0000
40.0000
33.5932
25.1488
16.2251
0.0000

15:30   2020-07-17 12:00:00   20   21   22

SUPER TREND INDICATOR

- Supertrend is a trend indicator.

- When the Supertrend closes below the Price, a Buy signal is generated, and when the Supertrend closes above the Price, a Sell signal is generated.

- Supertrend is constructed using the ATR (Average True Range) indicator with a multiplier and has two inputs – ATR period and the multiplier.

- Generally used parameters are 10 and 3

Coriander NCDEX 15 min

Supertrend crossover above prices : Bearish Signal

Supertrend crossover below prices : Bullish signal Signal

AVAILABLE ON NCharts Advanced Charting Tool
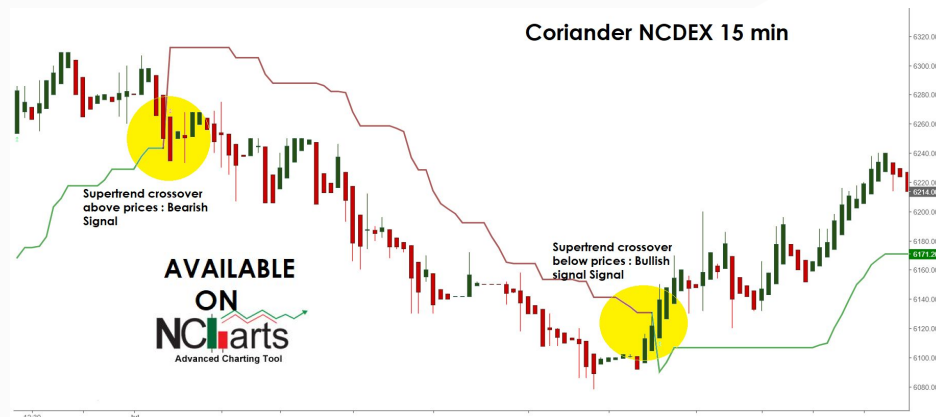
Refined SoyOil NCDEX - Hourly

AVAILABLE ON NCharts Advanced Charting Tool

Super Trend Crossover above prices: Bearish Signal

Super Trend Crossover below prices: Bullish Signal

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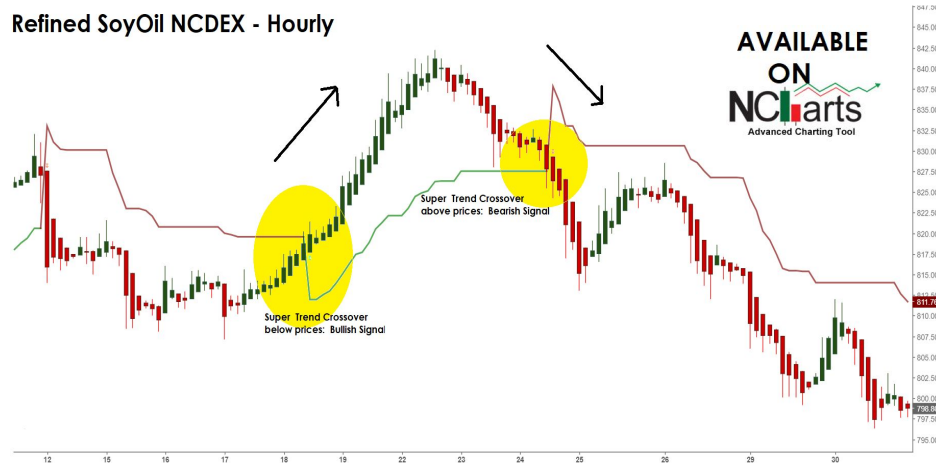
8 DMA, 15 DMA & Super Trend Trading Idea

SUPER TREND INDICATOR

Cotton seed Oil cake NCDEX 15 min

Sell Signal: When 8 day moving average crosses 15 day moving average from above and Super Trend suggests Sell.

Entry: MA 8 crosses MA 15 from above Sell signal

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MA 8
MA 15
Super Trend

Exit: When MA 8 crosses MA 15 from below

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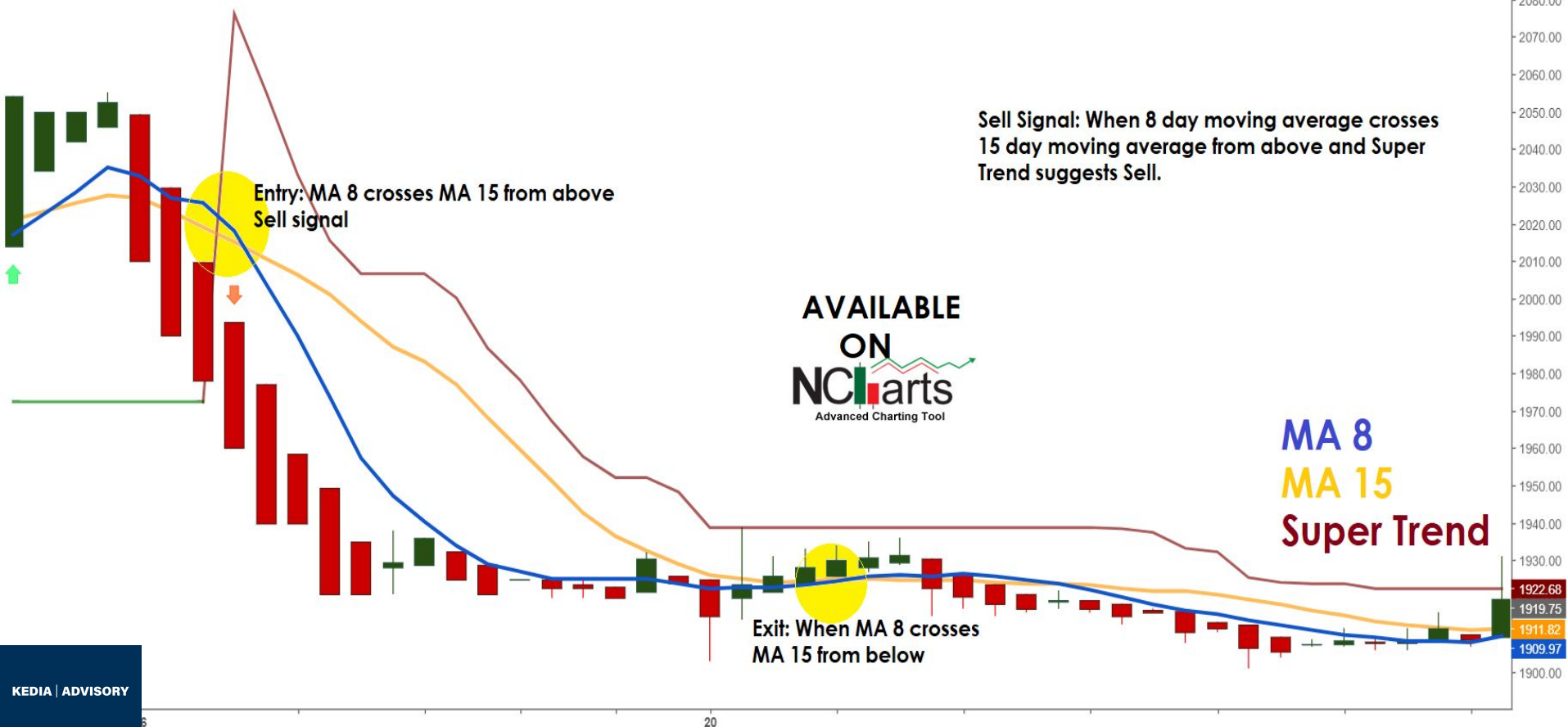
- Fibonacci retracements are one of the four most commonly-used Fibonacci studies for predicting levels of support and resistance for a given market.

- Fibonacci retracements are used immediately after a strong price movement either up or down.

- An imaginary vertical line is drawn across the chart between two extreme price values, one high and one low.

- The most common number of lines is five, drawn at 0%, 38.2%, 50%, 61.8%, and 100% of the length of the line

- A Fibonacci retracement isn't useful for determining overall trends in price, but can help to predict levels of support and resistance within a large price reversal
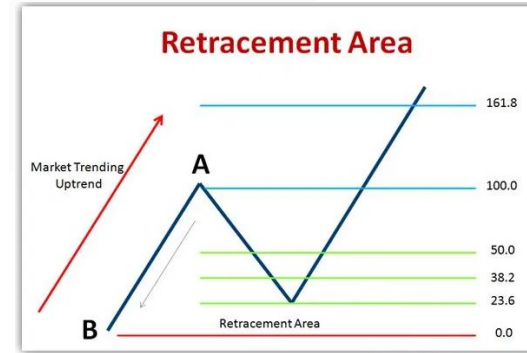
Types of Fibonacci

Retracement: From the swing XA, a Fibonacci ratio length is retraced to B.

Extension: From the swing XA, more than 100% of the swing XA is extended from A to B.

Projection: From the swing XA, a retracement is made to form the AB leg. From B, the swing XA is projected from B to C.

Expansion: From the swing XA, a retracement is made to B to form AB. A projection is plotted from A in the same direction and length of XA to C.
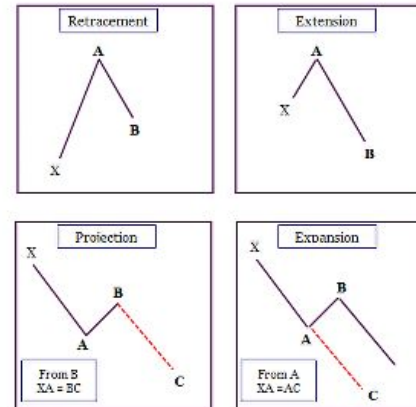
NCDEX GUARSEED

Let's get to our Strategy for the day - ICHIMOKU CLOUD

Ichimoku Cloud Components and Calculations

1. The **RED LINE** in Figure 1 is Tenkan-Sen (**Conversion Line**). It's the midpoint of the last nine price bars: [(9-period high + 9-period low)/2].

2. The **BLUE LINE** is Kijun-sen (**Base Line**). It's the midpoint of the last 26 price bars: [(26-period high + 26-period low)/2]. **PRESENT**

3. The **GREEN LINE** is Senkou Span A (**Leading Span A**). It's the midpoint of the above two lines: [(Conversion Line + Base Line)/2]. This value is plotted 26 periods into the future.

4. The **RED LINE** is Senkou Span B (**Leading Span B**). It's the midpoint of the last 52 price bars: [(52-period high + 52-period low)/2]. This value is plotted 26 periods into the future. **FUTURE CLOUD**

5. The **GREEN LINE** is the Chickou Span (**Lagging Span**), and will always lag behind the price; it's the most recent price, plotted 26 periods back. **PAST**

Inputs | Style ✕

- ☑ Conversion Line | Line | ☐ Price Line
- ☑ Base Line | Line | ☐ Price Line
- ☑ Lagging Span | Line | ☐ Price Line
- ☑ Lead 1 | Line | ☐ Price Line
- ☑ Lead 2 | Line | ☐ Price Line
- ☑ Plots Background
- Color 0
- Color 1

Conversion Line Periods 9
Base Line Periods 26
Lagging Span 2 Periods 52
Displacement 26

STRATEGY

When Lead 1 rises above Lead 2,
CLOUD TURNS GREEN = LOOK TO BUY

When Lead 1 drops below Lead 2,
CLOUD TURNS RED = LOOK TO SELL

Heiken Ashi Candles used

Ref. Soy Oil NCDEX Daily

Conversion line crosses base line

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Condition to be watched

TO BUY
1. Lagging Span above Price
2. Conversion above Base Line
3. Green Cloud
4. RSI is above 52

TO SELL
1. Lagging Span below Price
2. Conversion below Base Line
3. Red Cloud
4. RSI is below 48

Prices should not be inside Cloud

RSI (14)

RSI crossing 52 levels - Buy Signal

52

48

11   Jun   Jul   Aug

Heiken Ashi Candles used

Conversin line
crossing below
base line

Cottonseed Oil Cake NCDEX Daily

Cloud Red

2033.50
2033.50
1992.75
1952.00
1885.00
1885.00

AVAILABLE
ON
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Advanced Charting Tool

Condition to be watched

TO BUY
1. Lagging Span above Price
2. Conversion above Base Line
3. Green Cloud
4. RSI is above 52

TO SELL
1. Lagging Span below Price
2. Conversion below Base Line
3. Red Cloud
4. RSI is below 48

Prices should not be inside Cloud

RSI (14)

RSI crosses 48
generating Sell Signal

52

48

37.7100

Apr   15   May   Jun   Jul   Aug   Sep
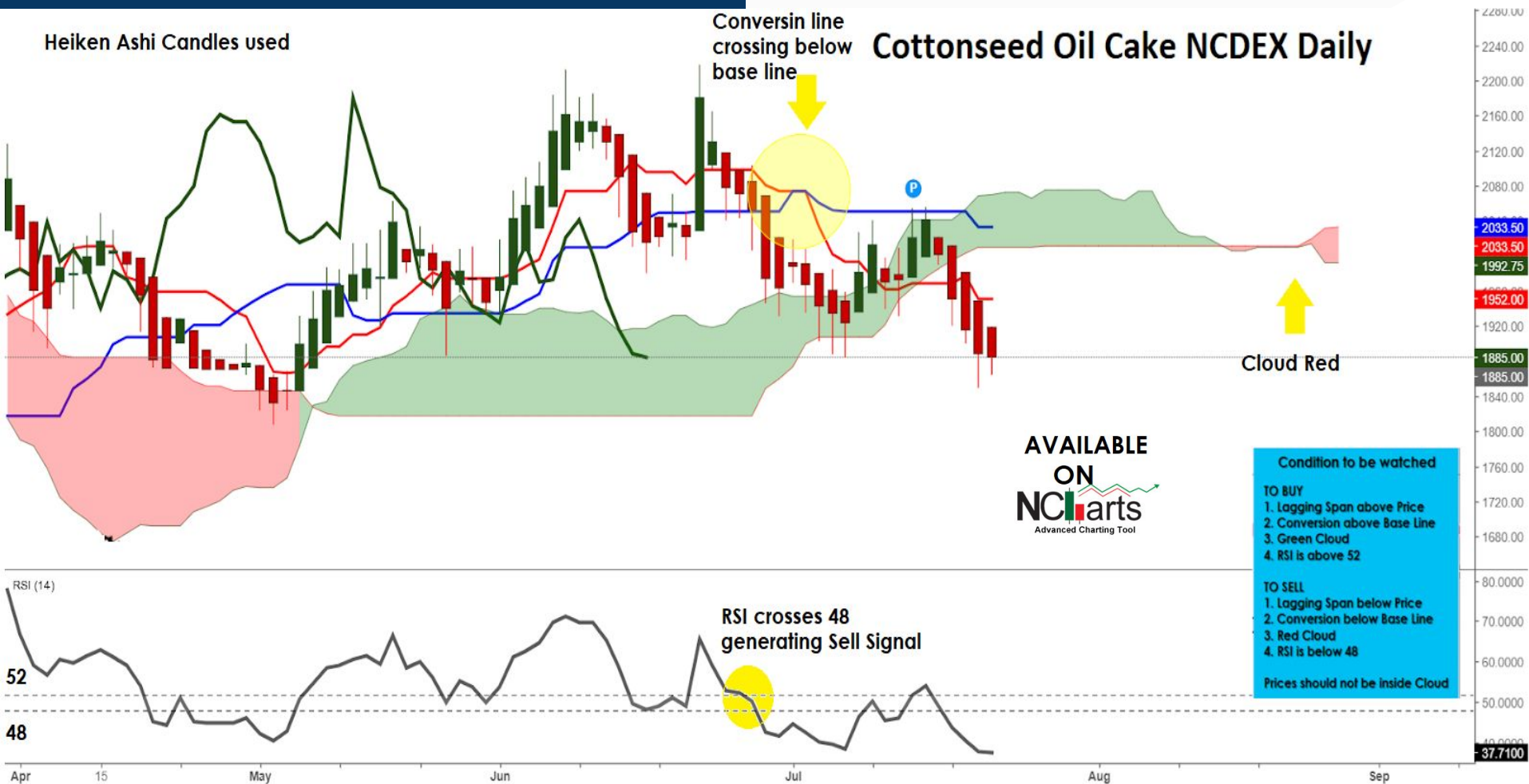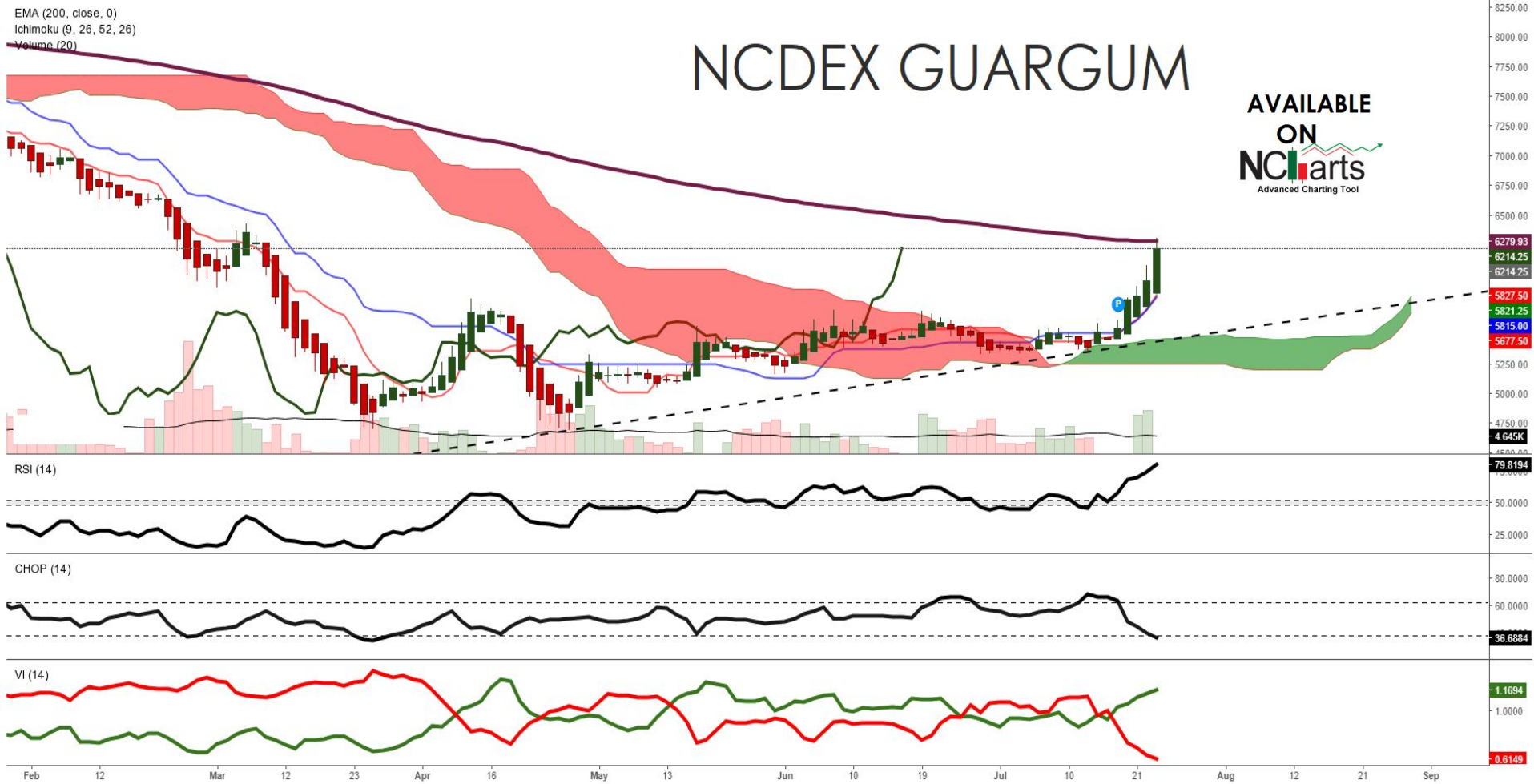
Sample Charts for Reference

Commodity are well connected with other asset classes while Equities are less

RMSEED

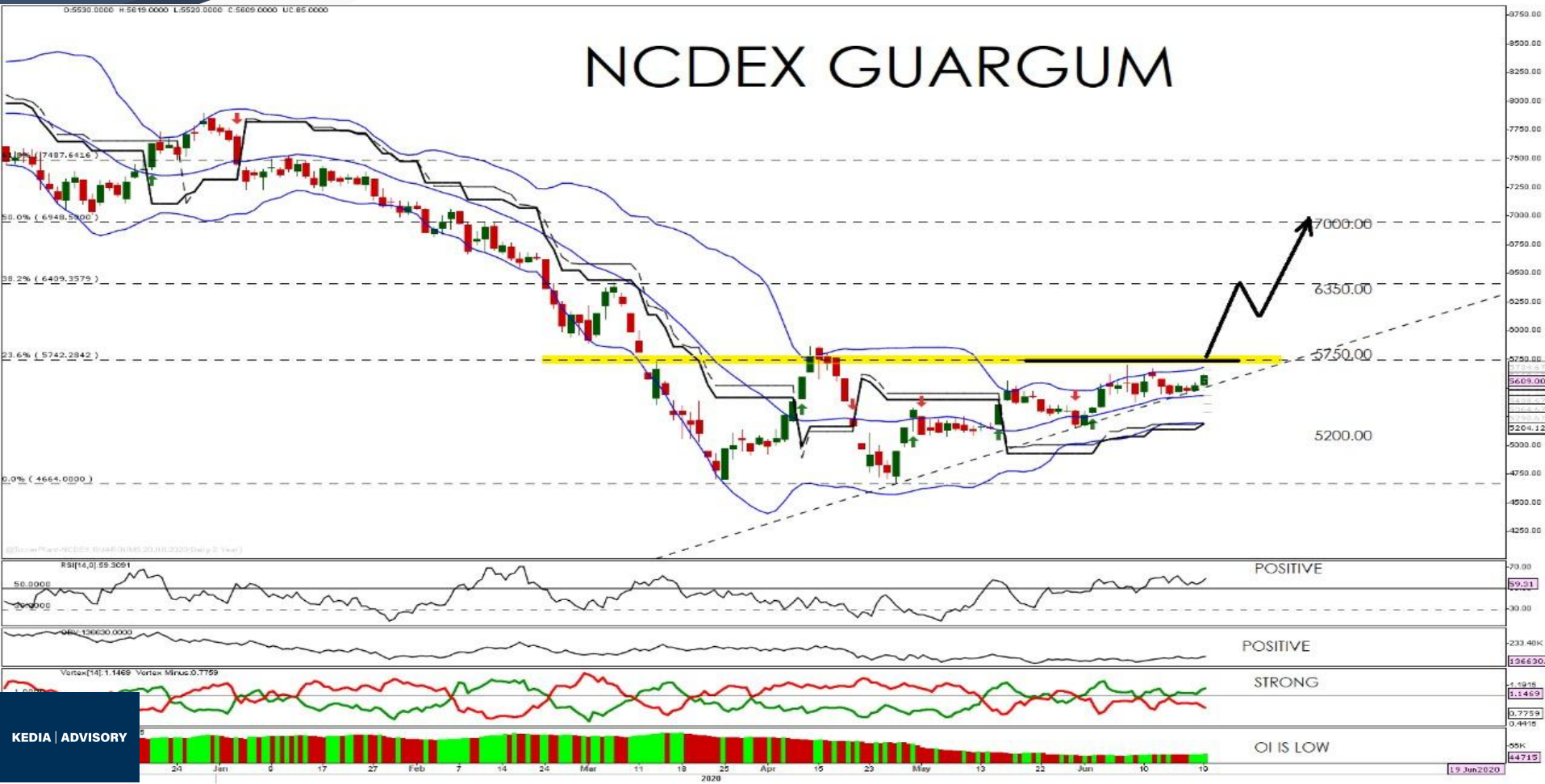Sovbean Futures. India. NCDEX:NSBc1. D

NCDEX JEERA

Prices below Red cloud look Weak

Prices are trading in Big range 14450-13200

Important Support is at 13200 below This weak for support is at 12400.00

Very low Vol

Prices are below 48 level indicates weakness

High Volatility is Expected in next 2 months

Sideway to weak

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NCDEX GUARSEED

DAILY CHART

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NCDEX
RMSEED

33
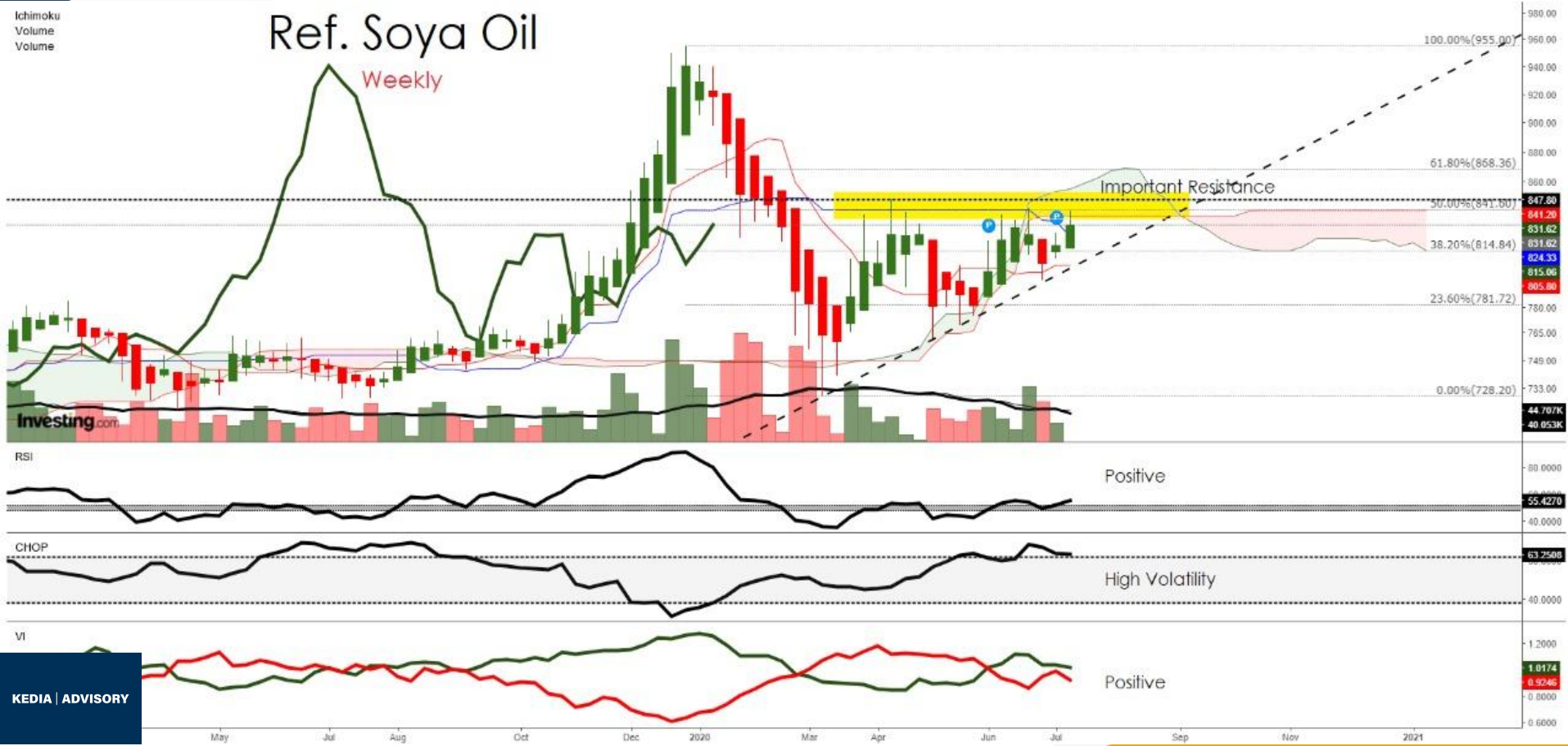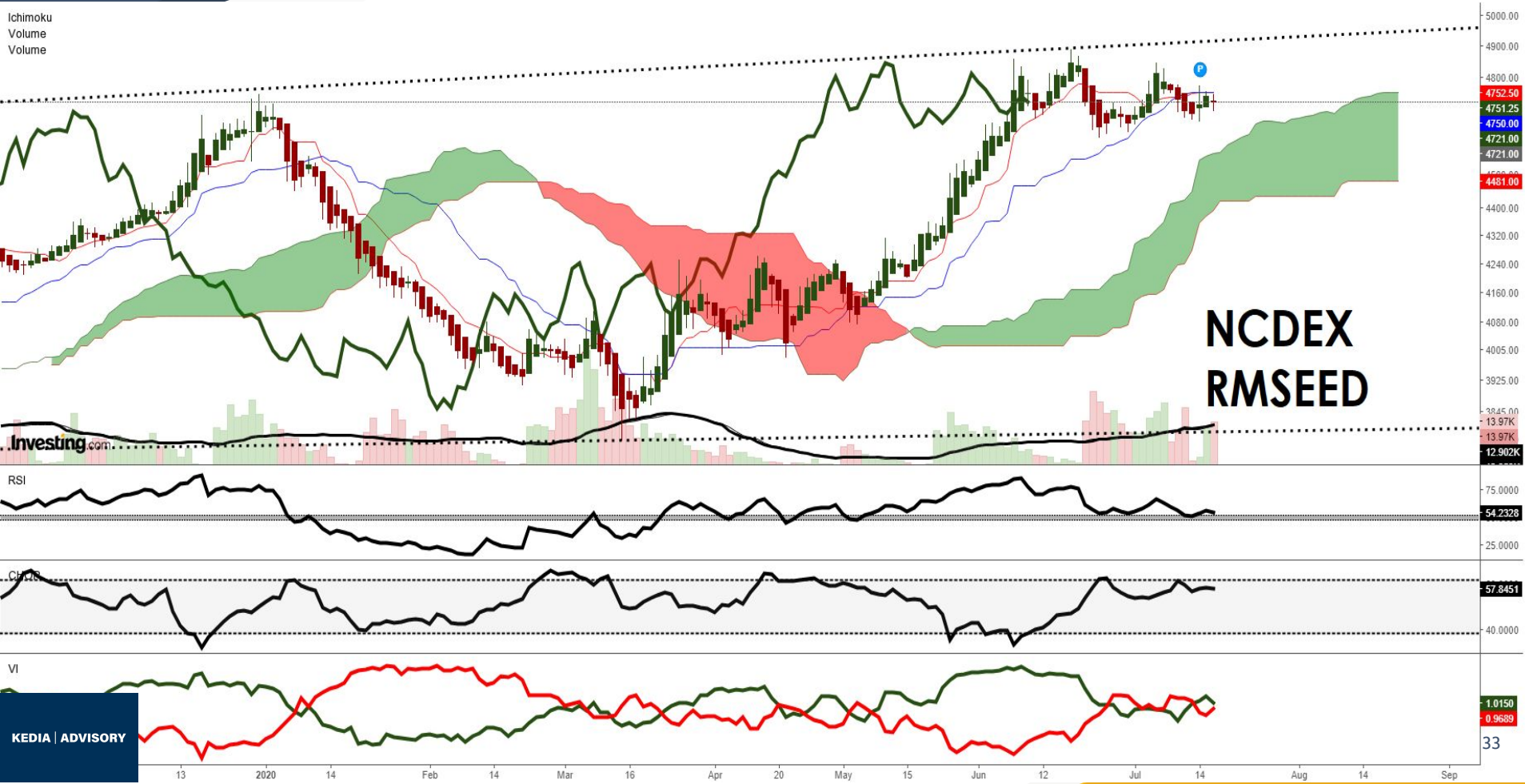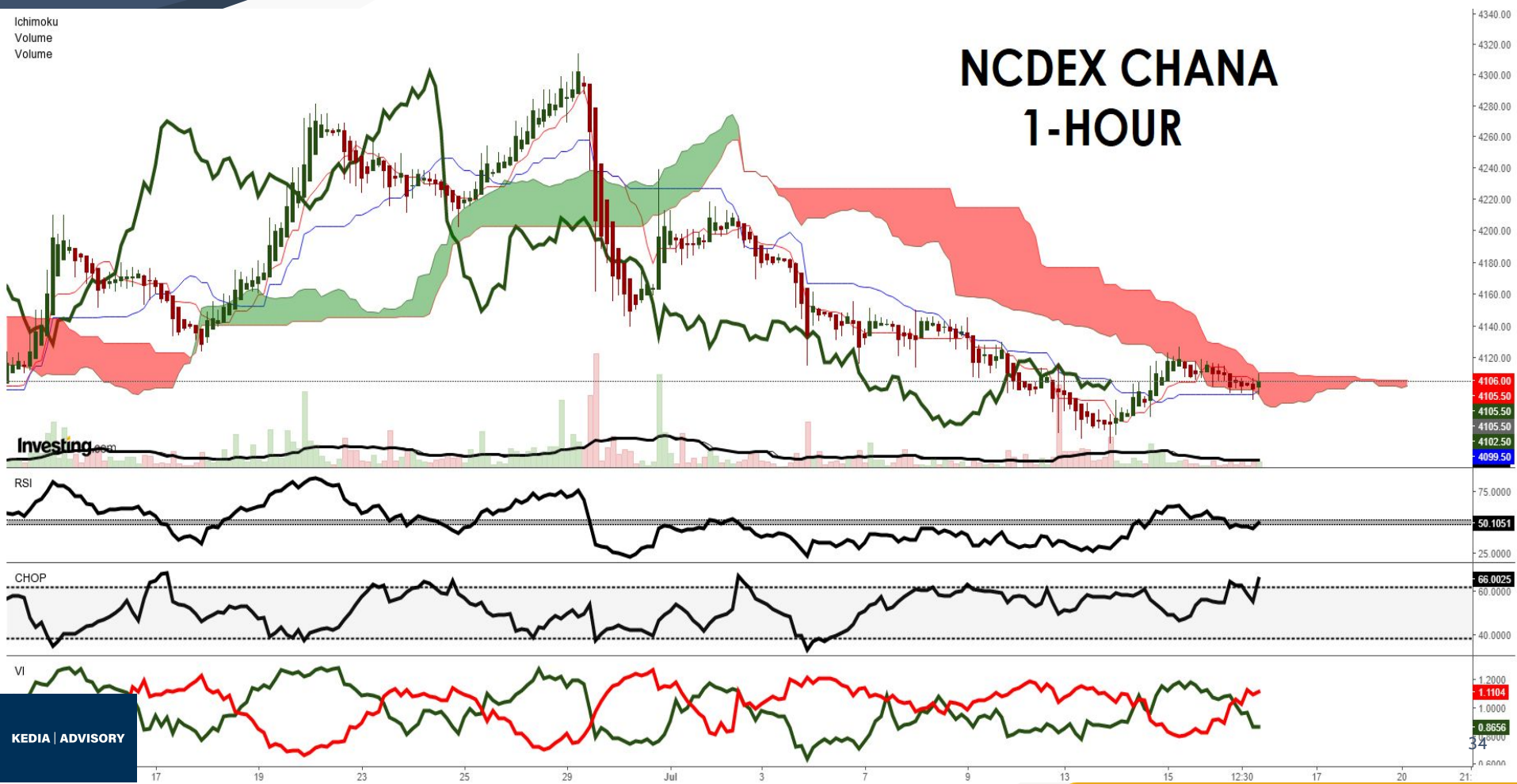
DON'T MISS OUT!

Top 10 Fundamental Indicators for Agri Commodity Market

Agridex	Stock Level	Weather
Sowing Data	Deliveries	Premium Discount
Seasonality	Top 10 clients in order of OI	Import/ Export

Next Thursday...........

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Some FAQs on Technicals

How to use technical analysis to make profit in markets? If you love taking signals from what others are doing, technical analysis may prove to be a good way to make profits in markets. By using technical indicators, technical analysis of stocks, commodities and currencies uses patterns in market data so as to identify trends and then make predictions.

How do you learn technical analysis of stocks? You can learn technical analysis by reading good books, reading articles and blogs on the Internet. do virtual trading to learn from mistakes. Avoid trading in penny stocks at first. They are high risk, high return game, Follow top technical analysts.

What are the limitations of technical analysis? Technical analysis and technical charts are based on a theory. If the indicators give mixed signals, there is indecision. In such a scenario, one indicator could show a buy signal. At the same time, the other technical indicator could show a sell signal.

What are the assumptions in technical analysis? Technical markets experts believe that the security/stock price will move along an established trend and pattern. Yes, they think it will behave just as it had done in the past. We also admit that history does not repeat itself. If you are basis trades on some technical analysis in intraday, be prepared to witness something which has not happened in the past.

What is Breakout? It is whereby prices forcefully penetrate an area of prior support or resistance. If you are interested in trading in only indices, look for breakouts in Nifty technical chart.

What are the different uses of technical analysis? There is only one basic use of technical analysis - to get entry and exit information to make a successful trade. All the technical analysis and technical indicators are used to confirm other technical analysis tools. Technical analysis gives you very short term indicators of how a stock/index may move. Thus, it is fit for traders.

What are trend lines? Technical analysis is built on the assumption that prices trend. Hence, the use of trend lines is important for both trend identification and trend confirmation. A trend line is a straight line. It connects two or more price points and then extends into the future to act as a line of support or resistance. Trend lines are extremely useful for technical analysis of stocks.

What is the concept of support and resistance? The support and resistance are basically specific price points on a chart. These points are expected to attract maximum amount of buying or selling. The support price in technical analysis is a price at which one can expect more buyers than sellers. In the technical market, the resistance price is a price at which one can anticipate more sellers than buyers.

What is the importance of volume in technical analysis? In the technical analysis world, volume measures the number of a stock's shares that are traded in a day or a period of time. Volume is very important because it confirms the previously-decided trend directions. Volume is a key input. Look at both price and volume when you study stock charts.

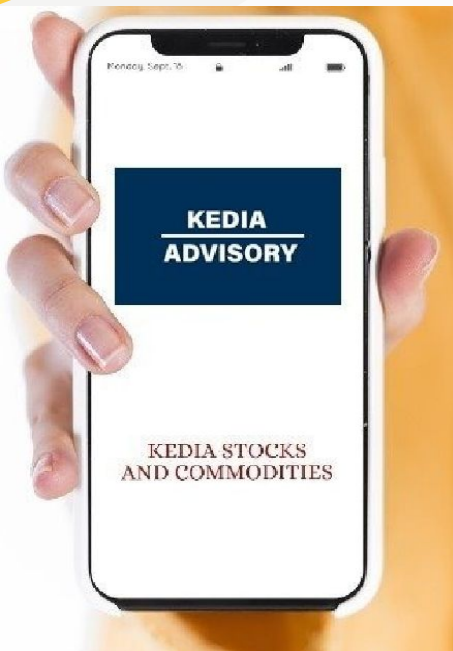KEDIA | ADVISORY

Visit our Website www.kediacapital.com
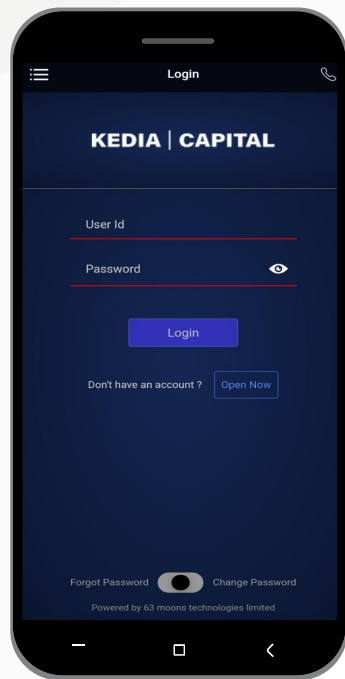
Open an account with us right now to enjoy quality services and uninterrupted trading.
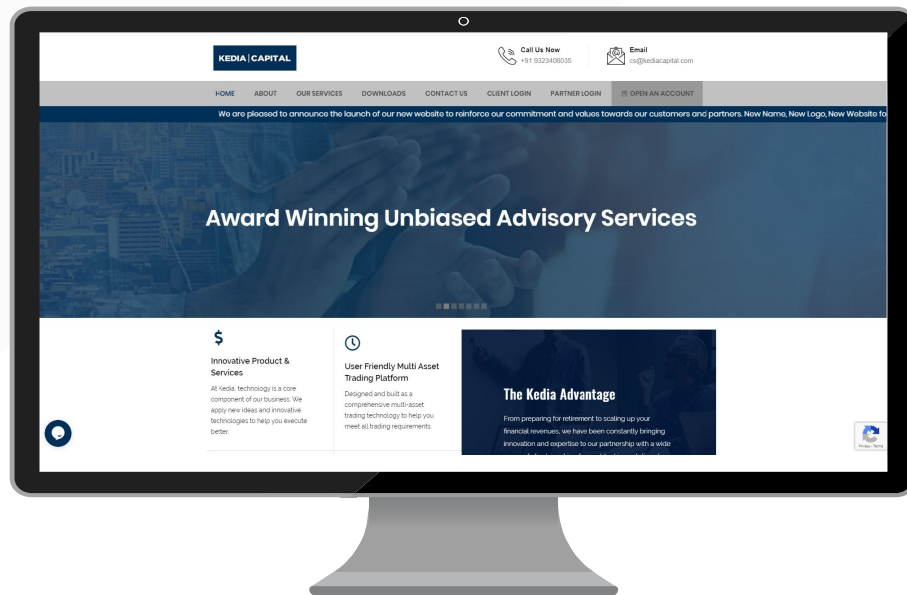
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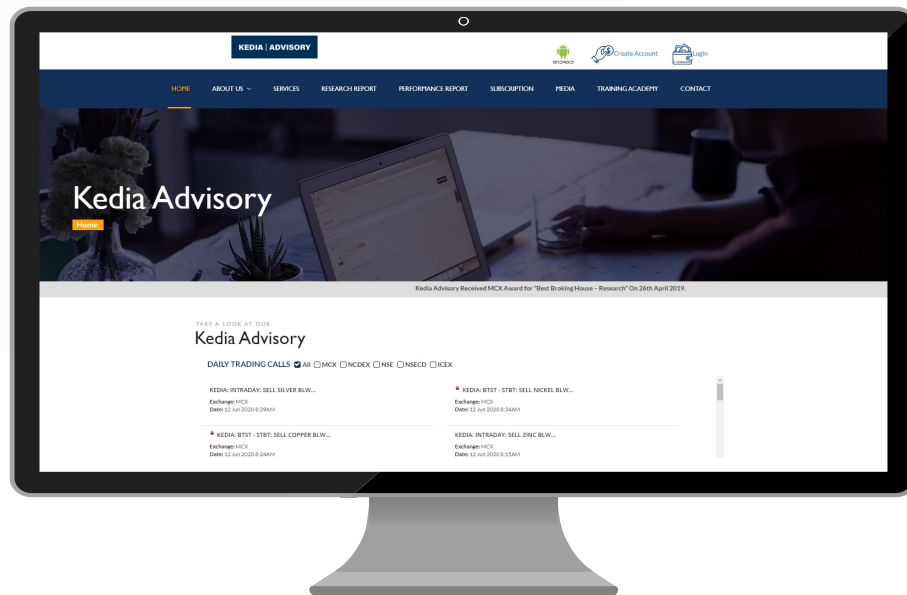# Visit our Website www.kediaadvisory.com

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Thanks!

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