

GUAR SEED

Technical Analysis:

- Candlestick chart pattern indicates that bearish sentiment in the market.
- Prices closed above 9 and 18 day EMAs supporting the bullish momentum in the short term.
- MACD is moving down in positive region indicates bearish momentum.
- RSI is moving down in the neutral zone.
- Guarseed futures are likely to trade range-bound with weak bias in next session.

Trade Recommendation – Guarseed NCDEX (February)

Call	Entry	T1	T2	SL
BUY	>2521	2566	2576	2498
Support & Resistance				
S2	S1	PCP	R1	R2
2475	2498	2537	2591	2601



GUAR GUM

Technical Analysis:

- Candlestick chart pattern indicates that bearish sentiment in the market.
- Prices closed above the 9 and 18 day EMAs supporting the range bound movement in the short term.
- MACD is moving up in positive region hints for increase in bullish momentum.
- RSI is moving down in the neutral zone.
- Guargum futures are likely to trade range-bound with weak bias in next session.

Trade Recommendation – Guargum NCDEX (February)

Call	Entry	T1	T2	SL
SELL	<6691	6654	6625	6715
Support & Resistance				
S2	S1	PCP	R1	R2
6431	6508	6686	6760	6815



Price Drivers

- Low carry- in stocks.
- Guar gum exports are likely to go up.
- Expectation of bumper guar seed production this season (2010-11)
- Lower overall arrivals.
- Higher demand in the markets

Spot Market Analysis:

- Weak sentiment witnessed in Guar cash market on Thursday.
- Trading activities across the spot market were subdued due to prevailing cold weather. The processors, stockiests are inactive across the spot markets.
- Reduced off take of guar seed is noticed in some areas of Rajasthan and Haryana as a result of quality issue. Buyers are not willing to pay higher prices for the guar seed which is affected by the weather condition due to bad climate.
- Guar by- product (churi and korma) prices declined in the spot market due to excess supply as a result of higher production.
- Market participants are not expecting major downfall because of higher international demand along with good domestic demand are expected to limit the losses in guar prices.
- Overall arrivals are reported at around 60,000 bags, which are unchanged as compared to the previous day's arrivals.
- As per trader's projection, lower arrivals in coming days can escalate prices in near term in the spot market.

Both Guar seed and Guar gum prices go upside in coming days due to lower arrivals and higher procurement by the processors in the Guar spot market.

Guar Seed And Guar Gum Spot Prices & Arrivals				
Commodity	Centres	Prices 06.01.11	%Change from Prior day	Arrivals 06.01.11
Guar Seed	Jodhpur (Delivery)	2500	-1.96	Nil
	Jodhpur (Loose)	2250	-1.10	Nil
	Bikaner	2415	-4.17	4000
	Nokha	2400	-0.41	2000
	Hanumangarh	2450	-0.20	200
	Sri-Ganganagar	2350	-0.42	600
	Adampur	2420	+0.83	2000
	Sirsa	2400	Unch	600
	Bhiwani	2415	+0.42	400
	Deesa	2440	-0.41	500
	Nagaur	2240	+0.90	1500
	Dhabwali	2370	-0.42	200
Guar Gum	Jodhpur	6600	+1.54	N/A
	Bhiwani	6600	Unch	N/A
	Dhabwali	6600	-0.75	N/A

Arrivals in bags & Prices in Rs. /Quintal

Commodity	Centre	Price
Churi	Jodhpur	Rs 1067/quintal
Korma	Jodhpur	Rs 1120/quintal

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.31
European Union	Euro	59.56
United Kingdom	GBP	70.26

Commodity	Variety	Value
Guargum Split		\$1425/tonne
Guargum Powder	200 Mesh 5000 CPS	\$1675/tonne
	200 Mesh 3500 CPS	\$1625/tonne
Guargum Meal		\$ 325/ tonne

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>