

GUAR SEED

Technical Analysis:

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

Trade Recommendation – Guarseed NCDEX (February)

Call	Entry	T1	T2	SL
BUY	>2563	2586	2599	2547
Support & Resistance				
S2	S1	PCP	R1	R2
2517	2532	2577	2607	2622



GUAR GUM

Technical Analysis:

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

Trade Recommendation – Guargum NCDEX (February)

Call	Entry	T1	T2	SL
BUY	>6780	6825	6840	6750
Support & Resistance				
S2	S1	PCP	R1	R2
6490	6541	6815	6960	7022



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.
- High demand in the markets

Spot Market Analysis:

- Strong sentiment witnessed in key Guar cash market on Tuesday.
- Weak arrival pressure of guar in the spot markets against strong demand has consistently moved up its prices. All India arrivals are reported at around 70,000 bags.
- Market participants believe that carry-over stock from last year will be around 25-30 lakh bags. Traders also believe that if we add the carry-forward stock with expected production of around 100-110 lakh bags then also it merely fulfill the consumption of the commodity.
- On contrary, weak demand of the by-products Churi and Korma is trying to put cap on guar's rising prices as prices of Churi and Korma have reduced by Rs 75/qlt and Rs 47/qlt during last couple of days.
- Market participants are projecting that, fresh arrivals of guar seed is expected to carry on till the month of January and later it will decrease, which can escalate prices in near term in the spot market.
- Increases demand for Guar gum in the overseas market influenced the Guar split, powder and meal prices in the spot market.

Guar seed and gum prices are expected to trade with firm bias in near term in anticipation of reduced arrivals in domestic markets against strong demand.

Guar Seed And Guar Gum Spot Prices & Arrivals				
Commodity	Centres	Prices 12.01.11	%Change from Prior day	Arrivals 12.01.11
Guar Seed	Jodhpur (Delivery)	2550	-	Nil
	Jodhpur (Loose)	2275	-	Nil
	Bikaner	2520-25	2.85	2000
	Nokha	2350	2.49	1500
	Hanumangarh	2480	1.22	200-300
	Sri-Ganganagar	2410	2.55	600
	Adampur	2525	4.34	2500
	Sirsa	2465	2.07	600
	Bhiwani	2410	0.41	400
	Deesa	2425-30	-	600
	Nagaur	2300	1.10	1500
	Dhabwali	2440	2.52	100
Guar Gum	Jodhpur	6450	-	N/A
	Bhiwani	6800	1.49	N/A
	Dhabwali	6800	3.03	N/A

Arrivals in bags & Prices in Rs. /Quintal

Commodity	Centre	Price
Churi	Jodhpur	Rs 893/quintal
Korma	Jodhpur	Rs 1073/quintal

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.16
European Union	Euro	58.68
United Kingdom	GBP	70.64

Commodity	Variety	Value
Guargum Split		\$1500/tonne
Guargum Powder	200 Mesh 5000 CPS	\$1780/tonne
	200 Mesh 3500 CPS	\$1740/tonne
Guargum Meal		\$ 340/ tonne

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