

GUAR SEED

Technical Analysis:

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

Trade Recommendation – Guarseed NCDEX (March)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| SELL | <2944 | 2910 | 2884 | 2963 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2869 | 2892 | 2933 | 2997 | 3030 |



GUAR GUM

Technical Analysis:

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

Trade Recommendation – Guargum NCDEX (March)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| SELL | <8399 | 8358 | 8320 | 8440 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 8141 | 8271 | 8410 | 8514 | 8566 |



Price Drivers

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

Spot Market Analysis:

- Mixed tone of sentiment featured in key cash markets of Guar seed and Guar gum on Wednesday.
- Demands from stockiests are still subdued in the spot market. The selling pressure from the stockiest of Guar seed has reported across the spot market. As per trade information, stockiest are thinking to release their stocks in the spot market, which may likely to exert pressure on guar prices in short term.
- Slight improvements of arrivals are reported across the spot market of Rajasthan and Haryana. Overall arrivals are reported at around 35,000 bags, which are unchanged as compared to the previous day's arrivals.
- Trade 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.
- As per trade sources, increasing demand for the ready guar gum was reported across the spot market. Expectations of increase in the crude oil extraction activities (US) in near term are indicating strong overseas demand for the guar gum, which may likely to support the guar gum prices.
- Slight improvement is recorded in demand of Guar by-products (Churi & Korma). Churi prices increased by 1.34% and Korma prices increased by 0.53% as compared to the previous day.

Both guar seed and gum prices are expected to trade range bound with side ways move in coming days on anticipation of sluggish demand from the buyers (stockiests) in the spot market. However, reducing arrivals may support the guar prices to gain.

| Guar Seed And Guar Gum Spot Prices & Arrivals | | | | |
|---|--------------------|--------------------|---------------------------|----------------------|
| Commodity | Centres | Prices 23.02.11 | %Change from Prior day | Arrivals 23.02.11 |
| Guar Seed | Jodhpur (Delivery) | 3050 | Unch | Nil |
| | Jodhpur (Loose) | 2800 | +0.72 | Nil |
| | Bikaner | 2930 | -0.68 | 1500 |
| | Nokha | 2880 | -0.69 | 2500 |
| | Hanumangarh | 2950 | +0.17 | 50 |
| | Sri-Ganganagar | 2940 | - | 200 |
| | Adampur | 3050 | Unch | 5000 |
| | Sirsa | 3050 | +2.01 | 400 |
| | Bhiwani | 3050 | Unch | 700 |
| | Deesa | 2765 | +0.73 | 400 |
| | Nagaur | 2900 | +0.35 | 250 |
| | Dhabwali | 2970 | -1.00 | - |
| Guar Gum | Jodhpur | 8350 | -0.60 | N/A |
| | Bhiwani | 8600 | +0.35 | N/A |
| | Dhabwali | 8500 | -0.58 | N/A |

Arrivals in bags & Prices in Rs. /Quintal

| Commodity | Centre | Price |
|-----------|---------|-----------------|
| Churi | Jodhpur | Rs 987/quintal |
| Korma | Jodhpur | Rs 1120/quintal |

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 45.20 |
| European Union | Euro | 61.88 |
| United Kingdom | GBP | 73.16 |

| Commodity | Variety | Value |
|----------------|-------------------|---------------|
| Guargum Split | | \$1720/tonne |
| Guargum Powder | 200 Mesh 5000 CPS | \$2025/tonne |
| | 200 Mesh 3500 CPS | \$1975/tonne |
| Guargum Meal | | \$ 325/ tonne |

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