

GUAR SEED

Technical Analysis:

- Candlestick chart pattern indicates the bullish 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 indicating the bullish 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 strong bias in next session.

Trade Recommendation – Guarseed NCDEX (March)

Call	Entry	T1	T2	SL
BUY	>2968	2998	3029	2939
Support & Resistance				
S2	S1	PCP	R1	R2
2906	2929	2979	3035	3046



GUAR GUM

Technical Analysis:

- Candlestick chart pattern indicates the bullish 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 up in positive region indicates bearish momentum.
- Guar gum futures are likely to trade range-bound with firm bias in next session.

Trade Recommendation – Guargum NCDEX (March)

Call	Entry	T1	T2	SL
BUY	>8534	8575	8618	8420
Support & Resistance				
S2	S1	PCP	R1	R2
8339	8415	8575	8628	8666



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:

- Strong sentiment featured in key cash markets of Guar seed and Guar gum on Friday.
- Increasing demand for the ready guar gum was reported across the spot market, which provided steady support for guar seed and guar gum prices to gain.
- Higher procurement by the processors for Guar seed is reported across the spot market, which support the guar prices to move upside in the spot market.
- Overall arrivals are reported at around 30,000 bags, which are 5,000 bags are lower as compared to the previous day's arrivals. Expectations of lower arrivals in coming days can escalate prices in near term in the spot market.
- Renewal in demand for Guar gum powder in overseas market lends support the domestic guar gum prices.
- Stock position of guar seed and guar gum at NCDEX accredited warehouses till 24th February, 2011 is reported at 95,417 MT and 22,903 MT respectively.
- In the domestic market, trade participants are optimistic about the increase in exports of guar gum in coming days due to low stocks and crop damaged in Pakistan(second largest gum exporter followed by India) on because of floods and India will have to fulfill the overseas requirement.

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 25.02.11	%Change from Prior day	Arrivals 25.02.11
Guar Seed	Jodhpur (Delivery)	3090	+2.15	Nil
	Jodhpur (Loose)	2800	+0.72	Nil
	Bikaner	2940	+0.68	1000
	Nokha	2880	+1.05	2000
	Hanumangarh	2940	+1.38	60
	Sri-Ganganagar	2940	+1.38	200
	Adampur	3040	+1.33	3000
	Sirsa	3040	+1.33	2200
	Bhiwani	3040	+1.33	400
	Deesa	2775	+0.36	500
	Nagaur	2890	+0.35	300
	Dhabwali	3000	+3.45	50
Guar Gum	Jodhpur	8400	+0.60	N/A
	Bhiwani	8800	+2.33	N/A
	Dhabwali	8650	+1.76	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	45.37
European Union	Euro	62.68
United Kingdom	GBP	73.24

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

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>