

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 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 firm bias in next session.

Trade Recommendation – Guarseed NCDEX (March)

Call	Entry	T1	T2	SL
BUY	>2987	3018	3037	2960
Support & Resistance				
S2	S1	PCP	R1	R2
2895	2937	2984	3045	3065



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 firm bias in next session.

Trade Recommendation – Guargum NCDEX (March)

Call	Entry	T1	T2	SL
BUY	>8571	8620	8657	8536
Support & Resistance				
S2	S1	PCP	R1	R2
8389	8501	8584	8682	8728



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:

- Steady to firm sentiment featured in key cash markets of Guar seed and Guar gum on Saturday.
- Due to weekend period trading activities were dull in the spot market.
- Processors demand for guar gum was reported across the spot market, which provided steady support for guar seed and guar gum prices to gain.
- In spite of better guar seed production during this season (2010-11), Guar prices are trading at its all time high due to increasing demand from oil sector (US) for guar gum.
- Renewal in demand for Guar gum powder in overseas market lends support the domestic guar gum and guar seed prices.
- Overall arrivals are reported at around 30,000 bags, which are unchanged as compared to the previous day's arrivals.
- As per trade sources, from mid-off October, 10" to till date 71,80,000 bags of guar (new crop arrivals) quantity traded and there will be lean arrivals in near term is expected, which may likely to support the guar prices in short term.
- As per our estimation, stockiests may have 5.26 lakh tonnes of guar stock with them and they may release their stocks in the spot market gradually, which may likely to exert pressure on guar prices in short term.

Both guar seed and gum prices are further expected to increase in near term due to the poor arrivals against strong demand of the commodities. Moreover, sturdy demand from international markets also pushes up domestic guar prices in near term.

Guar Seed And Guar Gum Spot Prices & Arrivals				
Commodity	Centres	Prices 26.02.11	%Change from Prior day	Arrivals 26.02.11
Guar Seed	Jodhpur (Delivery)	3090	Unch	Nil
	Jodhpur (Loose)	2800	Unch	Nil
	Bikaner	-	-	-
	Nokha	2880	Unch	1500
	Hanumangarh	2945	+0.17	50
	Sri-Ganganagar	2940	Unch	150
	Adampur	3040	Unch	3000
	Sirsa	3040	Unch	2000
	Bhiwani	3040	Unch	300
	Deesa	2800	+0.90	600
	Nagaur	2890	Unch	300
	Dhabwali	3000	Unch	-
Guar Gum	Jodhpur	8500	+1.19	N/A
	Bhiwani	8800	Unch	N/A
	Dhabwali	8700	+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	45.25
European Union	Euro	62.22
United Kingdom	GBP	72.93

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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