

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 down in neutral region indicating the bearish 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	<2972	2947	2923	3010
Support & Resistance				
S2	S1	PCP	R1	R2
2882	2910	2949	3028	3048



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 down 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	>8500	8540	8572	8430
Support & Resistance				
S2	S1	PCP	R1	R2
8342	8414	8495	8628	8678



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 weak sentiment featured in key cash markets of Guar seed and Guar gum on Monday.
- Processors are not willing to pay higher prices for Guar seed as they have ample quantity of stock to fulfill their further requirement.
- Reduced demand from stockiests has reported in the spot market as they have enough quantity of stock.
- Overall arrivals are reported at around 30,000 bags, which are unchanged as compared to the previous day's arrivals.
- As per trade information, market participants are not projecting major downfalls on expectations of increase in the crude oil extraction activities in near term are indicating strong overseas demand for the guar gum which may likely to support the guar seed as well as guar gum prices in coming days.
- Subdued demand is reported for Guar by - products Churi and Korma. Churi decreases by 6.7% and Korma decreases by 6.5% as compared to the previous day's prices.
- Renewal in demand for Guar gum powder in overseas market from oil sector lends support the domestic guar gum split, Guar gum powder and Guar gum meal prices in the domestic market. Guar gum split 11.9%, Guar gum powder 14.8% and Guar gum meal 15.1% prices to move upside as compared to the previous weak.

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 28.02.11	%Change from Prior day	Arrivals 28.02.11
Guar Seed	Jodhpur (Delivery)	3050	-1.29	Nil
	Jodhpur (Loose)	2760	-1.43	Nil
	Bikaner	2900	-	1000
	Nokha	2840	-1.39	1000
	Hanumangarh	2923	-0.75	40
	Sri-Ganganagar	2940	Unch	200
	Adampur	3050	+0.33	4000
	Sirsa	3040	Unch	400
	Bhiwani	3050	+0.33	200
	Deesa	2765	-1.25	450
	Nagaur	2900	+0.35	200
	Dhabwali	2960	-1.33	10
Guar Gum	Jodhpur	8350	-1.76	N/A
	Bhiwani	8600	-2.27	N/A
	Dhabwali	8625	-0.86	N/A

Arrivals in bags & Prices in Rs. /Quintal

Commodity	Centre	Price
Churi	Jodhpur	Rs 920/quintal
Korma	Jodhpur	Rs 1047/quintal

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.18
European Union	Euro	62.15
United Kingdom	GBP	72.78

Commodity	Variety	Value
Guargum Split		\$1925/tonne
Guargum Powder	200 Mesh 5000 CPS	\$2325/tonne
	200 Mesh 3500 CPS	\$2275/tonne
Guargum Meal		\$ 340/ tonne

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