

## 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 firm bias in next session.

### Trade Recommendation – Guarseed NCDEX (March)

Call	Entry	T1	T2	SL
<b>BUY</b>	>2950	2980	3002	2921
Support & Resistance				
S2	S1	PCP	R1	R2
2912	2932	2958	3025	3042



## 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 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
<b>BUY</b>	>8479	8534	8560	8439
Support & Resistance				
S2	S1	PCP	R1	R2
8338	8382	8500	8620	8668



### 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.
- Renewal demand in the markets.

## Spot Market Analysis:

- Steady to firm sentiment featured in key cash markets of Guar seed and Guar gum on Tuesday.
- Increased overseas demand for the guar gum has influenced local guar gum millers to increase buying of guar seed and it supported the guar seed as well as guar gum prices in spot market.
- 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.
- The arrivals are decreasing across the spot markets which also supported the prices to move upside. Overall arrivals are reported at around 25,000 bags, which are lower as compared to the previous day's 30,000 bags.
- Trade participants are expecting supply crunch in near term and this has push prices upper side in near term.
- Guar by-product (Churi & Korma) prices declined in the spot market due to lower demand as a result of excess supply. Churi decreases by 6.7% and Korma decreases by 6.5% as compared to the previous day's prices.
- Escalating 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.
- Reduced demand from stockiest has reported in the spot market as they have sufficient quantity of stock.

**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 01.03.11	%Change from Prior day	Arrivals 01.03.11
Guar Seed	Jodhpur (Delivery)	3080	+0.98	Nil
	Jodhpur (Loose)	2800	+1.45	Nil
	Bikaner	2910	+0.34	1000
	Nokha	2860	+0.70	2000
	Hanumangarh	2940	+0.58	20
	Sri-Ganganagar	2940	Unch	100
	Adampur	3050	Unch	3000
	Sirsa	3040	Unch	400
	Bhiwani	3050	Unch	200
	Deesa	2765	Unch	400
	Nagaur	2920	+0.69	150
	Dhabwali	2970	+0.34	-
Guar Gum	Jodhpur	8400	+0.60	N/A
	Bhiwani	8700	+1.16	N/A
	Dhabwali	8650	+0.29	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	45.12
European Union	Euro	62.32
United Kingdom	GBP	73.43

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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