

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.
- MACD is moving down in positive zone indicating the bearish sentiment.
- RSI is moving down in the neutral zone indicating the bearish sentiment.
- Guar seed futures are likely to trade range-bound with weak bias at higher price level in next session.

Trade Recommendation – Guarseed NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<3071	3045	3030	3085
Support & Resistance				
S2	S1	PCP	R1	R2
3023	3040	3041	3096	3127



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.
- MACD is moving down in positive zone indicating the bearish sentiment in the short term.
- RSI is moving down in the neutral zone indicating the bearish sentiment in the short term.
- Guar gum futures are likely to trade range-bound with weak bias in next session.

Trade Recommendation – Guargum NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<8747	8694	8672	8774
Support & Resistance				
S2	S1	PCP	R1	R2
8619	8666	8698	8794	8836



Price Drivers

- Lower demand from stockiests.
- Guar gum exports are likely to go up.
- Better guar seed production this season (2010-11)
- Lower overall arrivals
- Low demand in the markets.

Spot Market Analysis:

Both guar seed and guar gum cash markets featured mixed tone on Saturday's trade.

- Subdued trading activity from processors was reported at higher price levels due to ample quantity of stocks keeping price in check and consequently the guar gum prices.
- Due to surplus supply of Guar by - products (Churi & Korma) in the spot market exert pressure on Churi and Korma prices. Churi decreases by 3.4% and Korma decreases by 1.9% as compared to the previous day's prices.
- Lower arrivals in the major mandis of Rajasthan and Haryana are however, remains supportive for guarseed. Overall arrivals are reported at around 10,000 bags, 2,000 bags are lower from Friday's arrivals.
- As per trade estimate, from mid- October 2010" to till date around 94% of the total guar output (new crop) has already traded and there will be fewer arrivals in coming days due to lean season.
- Dull trading activity was reported in Sri-Ganganagar and Nagaur following lower arrival as new crop arrivals are almost finished. Arrivals are found only major trading centers in the spot market.
- Sources revealed that, farmers may shift their area from Guari to Cotton during the ensuing season amid better realization of cotton y-o-y when compared with guari/guar. On an average, realization from cotton to the growers hover near Rs 5000-5500/Qtl compared with Rs 2913/Qtl. This makes more profitable for the growers to opt for cotton on the expense of guar.
- Expectation of crop substitution between guari/cotton and guar/cotton during April - June period might lead to create a situation when people starts speculate the lower guari/guar production during 2011. Such a scenario shall stand supportive for the guar seed/gum prices moving forward.

Both guar seed and gum prices are expected to trade range bound in coming days on anticipation selling pressure from stockiest at higher prices in the spot market. However, lower arrivals in coming days may support the guar prices.

Guar Seed And Guar Gum Spot Prices & Arrivals

Commodity	Centres	Prices 30.04.11	%Change from Prior day	Arrivals 30.04.11
Guar Seed	Jodhpur (Delivery)	3150	0.94	-
	Jodhpur (Loose)	2850	1.04	6000
	Bikaner	2980	0.67	300
	Nokha	2900	0.68	500
	Hanumangarh	3025	0.17	-
	Sri-Ganganagar	-	-	-
	Adampur	3170	Unch	-
	Sirsa	3170	Unch	-
	Bhiwani	3170	Unch	-
	Deesa	2910	0.34	300
	Nagaur	-	-	-
	Dhabwali	3035	0.66	-
Guar Gum	Jodhpur	8650	0.57	N/A
	Bhiwani	9200	Unch	N/A
	Dhabwali	9250	1.65	N/A

Arrivals in bags & Prices in Rs. /Quintal

Commodity	Centre	Price
Churi	Jodhpur	Rs 734/quintal
Korma	Jodhpur	Rs 994/quintal

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.24
European Union	Euro	65.49
United Kingdom	GBP	73.90

Commodity	Variety	Value
Guargum Split		\$2050/tonne
Guargum Powder	200 Mesh 5000 CPS	\$2625/tonne
	200 Mesh 3500 CPS	\$2575/tonne
Guargum Meal		\$ 310/ 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>