

## Fundamentals:

Guarseed prices ended fell heavily as arrivals improved at major trading centers. Prices fell stockiest and traders offloaded old stocks in anticipation of fresh arrivals. Prices were also weak after being influenced by heavy selling in the futures counter. However, traders added that Ruchi Soya and Vikas WSP still have gum stocks with then as lower production this year remains a concern among the millers. Export demand remained stable however new inquiries are absent and exporters say that due to financial problems in U.S and Europe new inquiries will be lower next year. Millers and exporters also added that U.S and Europe may shift to the Chemical Gum (Xanthan Gum) and may not depend on the process of converting feedstock to gum amid higher prices of Xanthan Gum.

## Futures Market:

NCDEX **Guarseed** October 2011 contract finished significantly down by 3.02% against previous settlement. As both open interest and prices are falling, it indicates long liquidation and suggests a possible trend reversal in near future. Volume has declined to 165,920, lower by 62,210 against previous trading day.

NCDEX **Guargum** November 2011 contract finished significantly down by 1.62% against previous settlement. Rise in open interest amidst falling prices suggest that the new money is coming through the short sellers and a downtrend is in place. Volume has declined to 12,120, lower by 9,765 against previous trading day.

## Weather Update:

According to IMD, dry weather conditions would persist over Rajasthan, Gujarat and Haryana for next the 3-4 days.

## Outlook:

Guar prices are expected to remain range bound to weak on higher anticipation of arrivals. However in the longer run prices may still see new highs lower carry-out stocks and lower production estimates.

### NCDEX Guarseed Futures (Prices in Rs/Qtl)

Contract	+/-	Open	High	Low	Close
Oct-11	-142	4729	4800	4520	4560
Nov-11	-90	4240	4250	4110	4147
Dec-11	-73	4160	4160	4060	4093
Jan-12	-63	4151	4170	4095	4131

### NCDEX Guargum Futures (Prices in Rs/Qtl)

Contract	+/-	Open	High	Low	Close
Oct-11	-222	13433	13500	12988	13090
Nov-11	-217	13599	13599	13105	13215
Dec-11	-159	13425	13425	13070	13200
Jan-12	-123	13350	13473	13190	13293

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Oct-11	165920	-62210	113410	-22590
Nov-11	84470	-122320	74520	240
Dec-11	43960	-88390	88650	-1200
Jan-12	2590	-3020	6640	130

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Oct-11	11020	-5505	17130	-1035
Nov-11	12120	-9765	22705	440
Dec-11	3330	-2630	9035	675
Jan-12	140	-280	550	50

Spread	Oct-11	Nov-11	Dec-11	Jan-12
Basis	-460	-47	7	-31
Oct-11	-	-413	-467	-429
Nov-11	-	-	-54	-16
Dec-11	-	-	-	38
Jan-12	-	-	-	-

**NB:** Spread was done by taking Loose Prices of Jodhpur markets.

Spread	Oct-11	Nov-11	Dec-11	Jan-12
Basis	160	35	50	-43
Oct-11	-	125	110	203
Nov-11	-	-	-15	78
Dec-11	-	-	-	93
Jan-12	-	-	-	-

**NB:** Spread was done by taking Prices of Jodhpur markets.

NCDEX Stocks	Demat	In-Process	Total	FED
	10.10.11	10.10.11	10.10.11	10.10.11
Bikaner	33106	0	33106	11568
Deesa	2178	60	2238	139
Jodhpur	16011	10	16021	2806
Nokha	1616	0	1616	1238

**NB:** FED expiry for Bikaner and Jodhpur is the sum of 05-Nov-2011 and 05-Dec-2011, Nokha is the sum of 05-Dec-2011 and 05-Jan-2012 and Deesa is the sum of 05-Nov-2011 and 05-Jan-2012.

Unit in MT

NCDEX Stocks	Demat	In-Process	Total	FED
	10.10.11	10.10.11	10.10.11	10.10.11
Bikaner	134	0	134	60
Jodhpur	18487	84	18571	2729
Nokha	2954	0	2954	1012

**NB:** FED expiry for Bikaner and Jodhpur is the sum of 05-Nov-2011 and 05-Dec-2011 and for Nokha is the sum of 05-Dec-2011 and 05-Jan-2012.

Unit in MT

**Guar Prices at Key Spot Markets:**

Commodity	Centre	Prices (Rs/Qtl)		Change
		<b>12-10-2011</b>	<b>11-10-2011</b>	
<b>Guar Seed</b>	Jodhpur (Delivery)	4500	4650-4700	-200
	Jodhpur (Loose)	4100	4200	-100
	Bikaner (Loose)	4200	4241	-41
	Bikaner (Delivery)	4350	4370	-20
	Nokha	4000	4075	-75
	Hanumangarh	-	-	-
	Sri-Ganganagar	4000	4400	-400
	Adampur	4300	4500	-200
	Sirsa	4300	4500	-200
	Bhiwani	4450	4450-4500	-50
	Deesa	4065-4070	4100	-33
	Patan	-	-	-
	Nagaur	4000	4100	-100
	Dhabwali (5%)	4300	4400	-100
	Dhabwali (10%)	4150	4250	-100
<b>Guar Gum</b>	Jodhpur	13200-13300	13500	-250
	Bhiwani	13200	13300	-100
	Dhabwali	13200	13500	-300

Prices in Rs./Quintal \*Mill Prices

**Guar Arrivals in Key Centers**

Commodity	Centre	Prices (Rs/Qtl)		Change
		<b>12-10-2011</b>	<b>11-10-2011</b>	
<b>Guar Seed</b>	Jodhpur	-	-	-
	Bikaner	150-200	50	150
	Nokha	150-200	100	100
	Hanumangarh	-	-	-
	Sri-Ganganagar	3000	1000	2000
	Adampur	800-900	600	300
	Sirsa	150-200	100	100
	Bhiwani	500-600	500	100
	Deesa	130	150	-20
	Nagaur	300	300	Unch
	Dhabwali	100	50-60	40
	All India	15000	8000-10000	5000

Arrivals in bags

**Guar By - Products Prices: (As of October 12<sup>th</sup>)**
**Churi and Korma Prices:**

Commodity	Centre	Price (Rs/Qtl)
<b>Churi</b>	Jodhpur	700
<b>Korma</b>	Jodhpur	873

**Guar Export Prices:**

Commodity	Variety	Value (\$/MT)
<b>Guargum Split</b>		2950
<b>Guargum Powder</b>	200 Mesh 5000 CPS	3950
	200 Mesh 3500 CPS	3900
<b>Guargum Meal</b>		225

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