

SPOT MARKET HIGHLIGHTS

- Firm tone of sentiment recorded in the majority of guar cash markets during this fortnight.
- Overall arrivals in the spot market were lower during this season.
- Lower carry-in stocks in the spot markets.
- By-products(Churi & Korma) demand subdued in the spot market due to surplus supply.

FUTURES MARKET HIGHLIGHTS

GUARSEED: February contract ended with gain this fortnight and traded from a high of Rs.2576 to a low of Rs 2530. Volume touched a high at 141,190 and open interest touched at 102,950

GUARGUM: February contract ended with gain this fortnight and traded from a high of Rs 6839 to a low of Rs 6779. Volume touched at 22,540 and open interest touched at 40,640

FUNDAMENTALS:

- Strong sentiment witnessed in majority of key cash markets of Guar seed and Guar gum during this fortnight.
- Guar seed and Guar gum prices are increased during this fortnight due to increased demand in domestic market as well as in overseas market.
- Guar prices supported by the restricted arrivals in the spot market due to bad weather condition and as a result guar prices moved upside during this season. Overall guar seed arrivals (all India) during the fortnight recorded at 9, 55,000 bags, which are lower by 4, 20,000 bags as compared to the previous fortnight arrivals.
- As per the trader's projection, overall arrivals in the spot market will continue to be lower side in coming days, which may move prices to upside in near term.
- Another supporting factor for the increasing guar prices is the projections of lower carry- in stocks which might result in tight supplies during next season.
- As per market participants, renewal in the Guar gum export demand from the US and China is actively responsive once again after the Christmas and New Year vacations which also support the guar gum as well as guar seed prices in the spot market.
- An expectation of increase in the crude oil extraction activities in near term is likely to support the guar gum prices.
- As per trade sources, increasing guar gum exports in the current season influencing increase in higher procurement by the processors in the spot market during this session, which also support the guar seed and guar gum prices to go upside.
- Guar by-product (Churi & Korma) prices declined in the spot market due to excess supply as a result of higher production.

We believe that Guar seed and Guar gum may trade range bound with firm bias during coming fortnight due to the projections of lower arrivals in the spot market and higher export demand.

GUAR SEED AND GUAR GUM SPOT PRICES				
Commodity	Centres	06-01-11	20-12-10	Change (%)
Guar seed	Jodhpur (Delivery)	2525	2525	+0.99
	Jodhpur (Loose)	2275	2275	Unch
	Bikaner	2270	2270	+11.01
	Nokha	2360	2360	+2.12
	Hanumangarh	2390	2390	+2.72
	Sri-Ganganagar	2325	2325	+1.51
	Adampur	2390	2390	+0.42
	Sirsa	2390	2390	+0.42
	Bhiwani	2410	2410	-0.21
	Deesa	2350	2350	+4.26
	Dabwali	2500	2500	-4.80
	Nagaur	2240	2240	-0.89
Guar gum	Jodhpur	6400	6400	+1.56
	Bhiwani	6450	6450	+2.33
	Dabwali	6400	6400	+3.91

(Prices in Quintals)

ARRIVALS		
Centres	06.01.11	20.12.10
All India	60000	110000
Bikaner	4000	13000
Nokha	2000	2000
Hanumangarh	300	400
Sri-Ganganagar	800	1200
Adampur	2000	4000
Deesa	600	700
Sirsa	500	2000
Bhiwani	800	1500
Dabwali	80	300
Nagaur	6000	1200

TECHNICAL OUTLOOK: SEED

Guar seed futures witnessed mixed trend during this fortnight. Prices initially came down to 2424 but soon after took u-turn and rose up to 2576.

Trade Strategy:

In coming fortnight period prices will move up to at resistance level 2620, which is strong support by 2556. Prices closed above 9 and 18 days EMAs supporting the bullish momentum in the short term, MACD is moving up in positive territory which indicates bullish sentiments.

TECHNICAL OUTLOOK: GUM

Guar gum futures witnessed firm tone sentiments during this fortnight. At the first half of the fortnight prices came down to 6229 but after that it increases up to 6839.

Trade Strategy:

In coming fortnight period prices will move up to at resistance level 7220, which is strong support by 6774. Prices closed above 9 and 18 days EMAs supporting the bullish momentum in the short term. MACD is moving up in positive territory which indicates bullish sentiments

Trade Recommendation:

Guarseed NCDEX (Feb)

Call	Entry	T1	T2	SL
BUY	>2485	2578	2605	2498
Support & Resistance				
S2	S1	PCP	R1	R2
2434	2455	2537	2618	2640

Trade Recommendation:

Guargum NCDEX (Feb)

Call	Entry	T1	T2	SL
BUY	>6691	6654	6625	6715
Support & Resistance				
S2	S1	PCP	R1	R2
6431	6508	6686	6760	6815

Guarseeds 1102(NCGUAG1)2011/01/06 - Daily B:2536.00 A:2539.00
O 2540.00 H 2558.00 L 2530.00 C 2537.00 V 91,440 I 102,950 -6
EMA(9) 2516.3 (18) 2507.8



Guar Gum 1102(NCGGMG1)2011/01/06 - Daily B:6685.00 A:6688.00
O 6755.00 H 6765.00 L 6671.00 C 6686.00 V 8,755 I 39,130 -58
EMA(9) 6576.9 (18) 6491.7



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