

SPOT MARKET HIGHLIGHTS

- Firm sentiment recorded in the major key guar cash markets during this fortnight period.
- Higher procurement by the processors amid lower arrivals supported the guar prices to move higher side.
- Active buying by stockiest also strongly supported the guar prices during the last fortnight period.
- Increased export demand for guar gum also supported the guar gum as well as guar seed prices in the spot market.

FUNDAMENTALS:

- Strong sentiment witnessed in majority of key cash markets of Guar seed and Guar gum during the fortnight period.
- Guar seed and Guar gum prices were moved up during the fortnight period due to higher demand in domestic market as well as overseas market.
- Guar seed and guar gum prices increased in current year (as on till date) Rs. 2800/ctl and Rs.7850/ctl as compared to previous year Rs.2540/ctl and Rs.4950/ctl, which is up by Rs.260/ctl and Rs.2900/ctl.
- Lower arrivals in the major mandis of Rajasthan and Haryana as well as higher procurement by the processors (almost 70-80 percent) in the spot market supported the guar seed and guar gum prices to move upper side.
- During the fortnight, total guar seed arrivals (all India) recorded at 605,000 bags which is lower by 240,000 bags as compared to the previous fortnight arrivals of 845,000 bags,
- As per trade sources, from mid-off October, 10th to till date 65, 95000 bags of guar (new crop arrivals) quantity traded and there will be lean arrivals in near term is expected, which may likely to support the guar prices in short term.
- Guar gum export increased as compared to April - Sep 09, was 94576 MT to 1, 68, 234 MT in April - Sep10, which is up by 73, 658 MT.
- Export demand for Indian guar gum is expected to increase further in coming days due to damage of crop in Pakistan as a result of heavy floods occurrence (second largest guar gum exporter followed by India) and India will get an opportunity to fulfill the overseas requirement.
- Stock position of guar seed and guar gum at NCDEX accredited warehouses till 7th February, 2011 is reported at 91,746 MT and 19,482 MT respectively.
- FOB prices of guar gum split is reported at \$ 1720/ton, powder (5000 CPS and 3500 CPS) at \$ 2025/ton & \$ 1975 and meal at \$ 325/ton respectively.

FUTURES MARKET HIGHLIGHTS

GUARSEED: February contract traded with gain in fortnight period and traded to high of Rs.2969 and a low of Rs 2714. Volume touched a high at 297,430 and open interest touched at 193,050.

GUARGUM: February contract traded with gain in fortnight period and traded with a high of Rs 8408 and to a low of Rs 7208. Volume touched a high at 16,135 and open interest touched at 16,455.

We believe that both guar seed and gum prices are expected to trade with firm bias during coming fortnight period on expectation of decreasing arrival levels at domestic markets against strong demand for guar gum in international market.

GUAR SEED AND GUAR GUM SPOT PRICES				
Commodity	Centres	08-02-11	24-01-11	Change (%)
Guar seed	Jodhpur (Delivery)	2800	2840-45	-1.41
	Jodhpur (Loose)	2550	2560-65	-0.39
	Bikaner	2700	2270-80	+18.42
	Nokha	2670	2580	+3.49
	Hanumangarh	2700	2700	Unch
	Sri-Ganganagar	2825	2590	+9.07
	Adampur	2910	2670	+8.99
	Sirsa	2935	2680	+9.51
	Bhiwani	2915	2680	+8.77
	Deesa	2672	-	-
	Dabwali	2825	2650	+6.60
	Nagaur	2840	-	-
Guar gum	Jodhpur	7850	7200	+9.03
	Bhiwani	8100	7650	+5.88
	Dabwali	7880	7350	+7.21

(Prices in Quintals)

ARRIVALS		
Centres	08.02.11	24.01.11
All India	40000	60000
Bikaner	2000	5000
Nokha	1500	1500
Hanumangarh	200	150
Sri-Ganganagar	400	600
Adampur	1200	2000
Deesa	400	-
Sirsa	300	400
Bhiwani	200	400
Dabwali	60	100
Nagaur	400	-

TECHNICAL OUTLOOK: SEED

Guar seed prices were sturdily up on strong buying support for the February contract. In coming fortnight period, guar prices are expected to trade with firm bias. February futures contract traded with price levels between 2710 lower side and 2971 higher side as result of bullish sentiment witnessing in the market.

As per market sentiment, March contract is expected to trade with bullish trend.

Trade Strategy (For March Contract):

- MACD is moving up in the positive zone, indicates the bullish momentum.
- Prices closed above 9 and 18 day EMAs supporting the bullish momentum in the short term.
- RSI is moving up in the neutral zone indicating the bullish momentum in the short term.

Trade Recommendation: Guarseed NCDEX (March)

Call	Entry	T1	T2	SL
BUY	>2770	2916	3008	2667
Support & Resistance				
S2	S1	PCP	R1	R2
2623	2718	2939	3038	3140



TECHNICAL OUTLOOK: GUM

Guar gum prices were sturdily up on strong buying support for the February contract. In coming fortnight period, guar prices are expected to trade with firm bias. February futures contract traded with price levels between 7211 lower side and 8420 higher side as result of bullish sentiment witnessing in the market.

As per market sentiment, March contract is expected to trade with bullish trend

Trade Strategy (For March Contract):

- MACD is moving up in positive region indicates bullish momentum.
- Prices closed above 9 and 18 day EMAs supporting the bullish momentum in the short term.
- RSI is moving up in the neutral zone indicating the bullish momentum in the short term.

Trade Recommendation: Guargum NCDEX (March)

Call	Entry	T1	T2	SL
BUY	>7800	8020	8130	7650
Support & Resistance				
S2	S1	PCP	R1	R2
7201	7490	8459	8467	8500



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