

SPOT MARKET HIGHLIGHTS

- Weak sentiment recorded in the major key guar cash markets during this fortnight period.
- Dull demand from processors and stockiests are reported during this period.
- Reduced overseas demand had restricted the guar upside movement.
- Guar by - products (Churi & Korma) demand also reported lackluster during this fortnight.

FUTURES MARKET HIGHLIGHTS

GUARSEED: April contract traded with high of Rs.3085 and a low of Rs 2678 during this fortnight. Volume touched a high at 328,000 and open interest touched at 167,600.

GUARGUM: April contract traded with high of Rs 8915 and to a low of Rs 7530. Volume touched a high at 27,025 and open interest touched at 39,565.

FUNDAMENTALS:

- Weak sentiment featured in key cash markets of Guar seed and Guar gum during the fortnight period.
- Demand from Guar gum millers is gradually decreasing across the spot market which affects the guar prices.
- Subdued demand from stockiests was reported across the spot market. The selling pressure from the stockiest of Guar seed has reported across the spot market as against the inactive buyers as they have ample quantity of stock to fulfill their requirement.
- Lower arrivals in the major mandis of Rajasthan and Haryana have reported during this fortnight. During the fortnight, total guar seed arrivals (all India) recorded at 255,000 bags, which is lower by 75,000 bags as compared to the previous fortnight arrivals of 330,000 bags,
- Lower overseas demand was reported during this fortnight and failed to support the domestic guar prices.
- Spot prices of guar have also influenced by NCDEX's prices. Massive decline over NCDEX has also resulted in substantial decline in spot prices.
- Decreased in Guar gum prices also affect the guar gum split, powder and meal prices in the spot market. Guar gum split 4.1%, Guar gum powder 2.3% and Guar gum meal 2.3% prices decreased as compared to the previous fortnight.
- Lower demand for Guar by-product (Churi & Korma) was reported in the spot market as a result of higher supply. Churi decreases by 6.7% and Korma decreases by 6.5% as compared to the previous fortnight prices.
- Stock position of guar seed and guar gum at NCDEX accredited warehouses till 14th March, 2011 is reported at 95,060 MT and 22,856 MT respectively.

Both guar seed and gum prices are expected to trade range bound with weak bias in coming days on anticipation of subdued demand from stockiests and processors in the spot market. However, reducing arrivals in the spot market may restrict the losses.

GUAR SEED AND GUAR GUM SPOT PRICES				
Commodity	Centres	14-03-11	24-02-11	Change (%)
Guar seed	Jodhpur (Delivery)	2860	3025	-5.45
	Jodhpur (Loose)	2640	2780	-5.04
	Bikaner	2730	2920	-6.51
	Nokha	2680	2850	-5.96
	Hanumangarh	2740	2900	-5.52
	Sri-Ganganagar	-	2900	-
	Adampur	2850	3000	-5.00
	Sirsa	2850	3000	-5.00
	Bhiwani	-	3000	-
	Deesa	2625	2765	-5.06
	Dabwali	2750	2880	-4.51
	Nagaur	2740	2900	-5.52
Guar gum	Jodhpur	7700	8350	-7.78
	Bhiwani	7900	8600	-8.14
	Dabwali	8000	8500	-5.88

(Prices in Quintals)

ARRIVALS		
Centres	14.03.11	24.02.11
All India	15000	35000
Bikaner	150	2000
Nokha	300	1000
Hanumangarh	90	50
Sri-Ganganagar	-	-
Adampur	400	2000
Deesa	600	700
Sirsa	170	600
Bhiwani	-	800
Dabwali	80	-
Nagaur	60	300

TECHNICAL OUTLOOK: SEED

Prices successively rose to an extent of 3085 and seen a dip of 2678 in the last fortnight period. Prices took a support level of 2673 and resistance level at 2994.

MACD is moving down in negative zone indicating the bearish momentum in the short term. Prices closed below 9 and 18 day EMAs supporting the bearish momentum in the short term. RSI is moving up in the neutral zone indicating the bullish momentum in the short term.

Trade Strategy (For April Contract):

Guar seed futures are expected to trade range bound with weak bias in near to midterm. Prices are finding immediate support at 2630. If prices breach this level they may find support at 2604. Prices are finding immediate resistance at retrenchment level 2850 uptrend and further up at 2903.

TECHNICAL OUTLOOK: GUM

Prices successively rose to an extent of 8915 and seen a dip of 7530 in the last fortnight period. Prices took a support level of 7449 and resistance level at 8697.

MACD is moving down in negative region indicates bearish momentum. Prices closed below 9 and 18 day EMAs supporting the bearish momentum in the short term. RSI is moving up in the neutral zone indicating the bullish momentum.

Trade Strategy (For April Contract):

Guar gum futures are expected to trade range bound with weak bias in near to midterm. Prices are finding immediate support at 7462. If prices breach this level they may find support at 7426. Prices are finding immediate resistance at retrenchment level 8348 uptrend and further up at 8462.

Commodity	Contract	S2	S1	R1	R2
Guarseed	NCDEX	2604	2630	2850	2903

Commodity	Contract	S2	S1	R1	R2
Guargum	NCDEX	7426	7462	8348	8462


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