

### SPOT MARKET HIGHLIGHTS

- Firm sentiment recorded in the major key guar cash markets during this fortnight period.
- Escalating demand from processors also pushing markets higher from lows during this period.
- Higher demand for Guar gum powder in overseas market also pushes guar prices to move upside during this season.
- Guar by - products (Churi & Korma) demand reported lackluster during this fortnight.

### FUTURES MARKET HIGHLIGHTS

**GUARSEED:** April contract traded with high of Rs.3038 and a low of Rs 2712 during this fortnight. Volume touched a high at 296,090 and open interest touched at 189,420.

**GUARGUM:** April contract traded with high of Rs 8884 and to a low of Rs 7690. Volume touched a high at 22,760 and open interest touched at 24,050.

### **FUNDAMENTALS:**

- Both guar seed and guar gum prices traded with firm bias during early week days on account of good demand from processors in the domestic market. However, prices failed to sustain the higher level due to increasing arrivals in the spot market.
- Though prices failed to sustain at higher levels, but comparison of previous fortnight average prices of Rs.7993/- it was increased to Rs.8337/- during this fortnight.
- Higher 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 263,000 bags, which is higher by 8,000 bags as compared to the previous fortnight arrivals of 255,000 bags,
- Demands from stockiests are reported subdued in the spot market. The selling pressure from the stockiest of Guar seed has reported across the spot market as they have ample quantity of stock and started to offload their stocks in the domestic market which may exert pressure on guar prices to move upside in coming days.
- As per trade sources, due to financial closing of March ending trading activities was reported lower in the spot markets which also exert pressure on guar prices.
- Demand for Guar gum was reported lower in the spot markets which also affect the guar gum split, powder and meal prices in the domestic market. Guar gum split prices are decreased by 2.5% and Guar gum powder (5000 CPS & 3500 CPS) decreased by 6% and 6.1% and Guar meal 3.2% as compared to the previous fortnight prices.
- Guar by-product (Churi & Korma) prices declined in the spot market due to lower demand as a result of higher supply. Churi decreases by 4.4% and Korma decreases by 4.7% as compared to the previous fortnight prices.
- Stock position of guar seed and guar gum at NCDEX accredited warehouses till 30<sup>th</sup> March, 2011 is reported at 91,669 MT and 24,460 MT respectively.
- IMD is set to release its 1<sup>st</sup> Monsoon report in 2<sup>nd</sup> week of April and it is expected to indicate a normal monsoon year for 2011. At the same time, international community is emphasizing more for La Nina impact to persist which might be favourable for the onset of normal monsoon. Nevertheless, occurrence of normal monsoon shall be seen for better guar seed production which might keep the sentiments on subdued note if IMD forecast remain normal to above normal.

***We expect that, both guar seed and gum prices are 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	30-03-11	14-03-11	Change (%)
Guar seed	Jodhpur (Delivery)	3000	2860	+4.90
	Jodhpur (Loose)	2700	2640	+2.27
	Bikaner	-	2730	-
	Nokha	2770	2680	+3.36
	Hanumangarh	2800	2740	+2.19
	Sri-Ganganagar	-	-	-
	Adampur	3000	2850	+5.26
	Sirsa	3000	2850	+5.26
	Bhiwani	3000	-	-
	Deesa	-	2625	-
	Dabwali	2800	2750	+1.82
	Nagaur	2800	2740	+2.19
Guar gum	Jodhpur	8400	7700	+9.09
	Bhiwani	8600	7900	+8.86
	Dabwali	8000	8000	+5.00

(Prices in Quintals)

ARRIVALS		
Centres	30.03.11	14.03.11
All India	15000	15000
Bikaner	-	150
Nokha	500	300
Hanumangarh	20	90
Sri-Ganganagar	-	-
Adampur	-	400
Deesa	-	600
Sirsa	-	170
Bhiwani	-	-
Dabwali	30	80
Nagaur	30	60

\* - No arrivals are reported due to closing financial year.

**TECHNICAL OUTLOOK: SEED**

Prices successively rose to an extent of 3038 and seen a dip of 2712 in the last fortnight period. Prices took a support level of 2692 and resistance level at 3055.

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 2683. If prices breach this level they may find support at 2618. Prices are finding immediate resistance at retrenchment level 2874 uptrend and further up at 2914.

**TECHNICAL OUTLOOK: GUM**

Prices successively rose to an extent of 8884 and seen a dip of 7690 in the last fortnight period. Prices took a support level of 7595 and resistance level at 8915.

MACD is moving down in positive region indicates 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.

**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 7871. If prices breach this level they may find support at 7725. Prices are finding immediate resistance at retrenchment level 8560 uptrend and further up at 8654.

Commodity	Contract	S2	S1	R1	R2
Guarseed	NCDEX	2618	2683	2874	2914

Commodity	Contract	S2	S1	R1	R2
Guargum	NCDEX	7725	7871	8560	8654


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