

SPOT MARKET HIGHLIGHTS

- Firm sentiment recorded in the major key guar cash markets during this fortnight period.
- Reduced arrivals amid strong demand moved up guar prices.
- Strong overseas demands also lend support to domestic guar prices.
- Dull demand for guar by - products (Churi & Korma) was reported during this fortnight due to higher supply.

FUTURES MARKET HIGHLIGHTS

GUARSEED: April contract ended with high of Rs.2970 and a low of Rs 2677 during this fortnight. Volume touched a high at 280,550 and open interest touched at 127,880.

GUARGUM: April contract ended with high of Rs 8490 and to a low of Rs 7735. Volume touched a high at 18,305 and open interest touched at 10,745.

FUNDAMENTALS:

- Strong sentiment witnessed in majority of key cash markets of Guar seed and Guar gum during the fortnight period.
- Demand for the ready guar gum was reported across the spot market, which provided steady support for guar seed and guar gum prices to gain.
- Consistent decrease in arrivals in the spot markets has supports the guar prices to move upside during this fortnight.
- Lower arrivals in the major mandis of Rajasthan and Haryana are also supportive for guar seed during this fortnight. During the fortnight, total guar seed arrivals (all India) recorded at 141,000 bags, which is lower by 122,000 bags as compared to the previous fortnight arrivals of 263,000 bags,
- Trade participants are expecting supply crunch in near term which may likely to push prices upper side in near term.
- Escalating demand for Guar gum powder in overseas market lends support the domestic guar gum split, Guar gum powder and Guar gum meal prices in the domestic market. Guar gum split prices are increased by 2.5% and Guar gum powder (5000 CPS & 3500 CPS) increased by 4.2% and 4.3% as compared to the previous fortnight prices.
- Sluggish demand of churi and korma was reported due to higher availability in the spot market keeping prices in check.
- Stock position of guar seed and guar gum at NCDEX accredited warehouses till 13th April, 2011 is reported at 88,718 MT and 23,127 MT respectively.
- Sources revealed that, traders concentration on trading of guar seed and guar gum may get reduce in coming days due to commencement of arrival of crop produces like chana and mustard which may divert traders to trade in those commodities.
- IMD will release its first forecast for Monsoon on Apr 19, 2011 and it will further provide direction to spot guar prices.

Both guar seed and gum prices are expected to trade range bound in coming days on anticipation selling pressure from stockiests at higher prices in the spot market. However, lower arrivals in coming days may support the guar prices.

GUAR SEED AND GUAR GUM SPOT PRICES				
Commodity	Centres	15-04-11	30-03-11	Change (%)
Guar seed	Jodhpur (Delivery)	3025	3000	0.83
	Jodhpur (Loose)	2800	2700	3.70
	Bikaner	2900	-	-
	Nokha	2870	2770	3.61
	Hanumangarh	2920	2800	4.29
	Sri-Ganganagar	-	-	-
	Adampur	3020	3000	0.67
	Sirsa	3020	3000	0.67
	Bhiwani	3020	3000	0.67
	Deesa	2750	-	-
	Dabwali	2900	2800	3.57
	Nagaur	-	2800	-
Guar gum	Jodhpur	8500	8400	1.19
	Bhiwani	8700	8600	1.16
	Dabwali	8800	8000	10.00
<i>(Prices in Quintals)</i>				

ARRIVALS		
Centres	15.04.11	30.03.11
All India	20000	15000
Bikaner	400	-
Nokha	700	500
Hanumangarh	25	20
Sri-Ganganagar	-	-
Adampur	1500	-
Deesa	200	-
Sirsa	-	-
Bhiwani	-	-
Dabwali	-	30
Nagaur	-	30

TECHNICAL OUTLOOK: SEED

Prices successively rose to an extent of 2970 and seen a dip of 2677 in the last fortnight period. Prices took a support level of 2708 and resistance level at 2941.

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

Trade Strategy (For May Contract):

Guar seed futures are expected to trade range bound with weak bias in near to midterm. Prices are finding immediate support at 2891. If prices breach this level they may find support at 2825. Prices are finding immediate resistance at retrenchment level 3027 uptrend and further up at 3079.

TECHNICAL OUTLOOK: GUM

Prices successively rose to an extent of 8490 and seen a dip of 7735 in the last fortnight period. Prices took a support level of 7892 and resistance level at 8412.

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

Trade Strategy (For May Contract):

Guar gum futures are expected to trade range bound with weak bias in near to midterm. Prices are finding immediate support at 8192. If prices breach this level they may find support at 8037. Prices are finding immediate resistance at retrenchment level 8657 uptrend and further up at 8770.

Commodity	Contract	S2	S1	R1	R2
Guarseed	NCDEX	2825	2891	3027	3079

Commodity	Contract	S2	S1	R1	R2
Guargum	NCDEX	8037	8192	8657	8770


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