

### **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.
- Increased export demand for guar gum also supported the guar gum as well as guar seed prices in the spot market.
- Guar by-products (Churi & Korma) demand subdued in the spot market due to surplus supply.

### **FUNDAMENTALS:**

- Strong sentiment featured both for Guar seed and gum in cash markets during this 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.
- Waning arrivals were reported in the major domestic markets which sturdily supported the guar prices to move higher from lows.
- During the fortnight, total guar seed arrivals (all India) recorded at 87,000 bags, which is lower by 54,000 bags as compared to the previous fortnight arrivals of 141,000 bags,
- As per trade estimate, from mid- October 2010” to till date around 94% of the total guar output (new crop) has already traded and there will be fewer arrivals in coming days due to lean season.
- Dull trading activity was reported in Sri-Ganganagar and Nagaur following lower arrival as new crop arrivals are almost finished. Arrivals are found only major trading centers in the spot market.
- Renewal in demand for Guar gum powder in international market lends support the domestic guar gum prices during this fortnight period.
- As per trade information, guar gum exports on an average in monthly basis from January to April 35,000 - 40,000 thousand tons which may likely to increase in coming days.
- In spite of better guar seed production during this season (2010-11), Guar prices are trading at its all time high due to increasing demand from oil sector (US) for guar gum. In the current year, market participants are expecting exports to cross 3, 50,000 tones.
- Increase in Guar gum prices also supports the guar gum split and guar gum powder prices in the spot market. Guar gum split prices are increased by 4.8% and Guar gum powder (5000 CPS & 3500 CPS) increased by 10.4% and 9.7% as compared to the previous week prices and it may increase in coming days.
- Higher availability of guar by-products (churi & korma) following higher guar seed crushing amid good demand for guar gum for exports outpace the domestic requirement keeping prices in check. Churi prices decreases by 3.4% and Korma decreases by 1.9% as compared to the previous day's prices.
- Stock position of guar seed and guar gum at NCDEX accredited warehouses till 02<sup>th</sup> May, 2011 is reported at 88,185 MT and 21,618 MT respectively.

### **FUTURES MARKET HIGHLIGHTS**

**GUARSEED:** May contract traded with high of Rs.3215 and a low of Rs 2864 during this fortnight. Volume touched a high at 302,550 and open interest touched at 188,910.

**GUARGUM:** May contract traded with high of Rs 9190 and to a low of Rs 8262. Volume touched a high at 15,485 and open interest touched at 17,265.

*We expect that, 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	03-05-11	18-04-11	Change (%)
Guar seed	Jodhpur (Delivery)	3200	3025	5.79
	Jodhpur (Loose)	2900	2800	3.57
	Bikaner	3025	2900	4.31
	Nokha	2980	2870	3.83
	Hanumangarh	3080	2920	5.48
	Sri-Ganganagar	-	-	-
	Adampur	3225	3020	6.79
	Sirsa	3225	3020	6.79
	Bhiwani	3225	3020	6.79
	Deesa	3050	2750	10.91
	Dabwali	3090	2900	6.55
	Nagaur	-	-	-
Guar gum	Jodhpur	9000	8500	5.88
	Bhiwani	9300	8700	6.90
	Dabwali	9300	8800	5.68

*(Prices in Quintals)*

ARRIVALS		
Centres	03.05.11	18.04.11
All India	7000	20000
Bikaner	300	400
Nokha	500	700
Hanumangarh	-	25
Sri-Ganganagar	-	-
Adampur	600	1500
Deesa	300	200
Sirsa	-	-
Bhiwani	-	-
Dabwali	-	-
Nagaur	-	-

**TECHNICAL OUTLOOK: SEED**

Prices successively rose to an extent of 3215 and seen a dip of 2864 in the last fortnight period. Prices took a support level of 2856 and resistance level at 3084, however it breach the resistance level during this period.

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 up in the neutral zone indicating the bullish momentum in the short term.

**Trade Strategy (For Jun Contract):**

Guar seed futures are expected to trade range bound with weak bias in near to midterm. Prices are finding immediate support at 3018. If prices breach this level they may find support at 2801. Prices are finding immediate resistance at retrenchment level 3400 uptrend and further up at 3585.

**TECHNICAL OUTLOOK: GUM**

Prices successively rose to an extent of 9190 and seen a dip of 8262 in the last fortnight period. Prices took a support level of 8180 and resistance level at 9046, however it breach the resistance level during this period.

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 up in the neutral zone indicating the bullish sentiment in the short term.

**Trade Strategy (For Jun Contract):**

Guar gum futures are expected to trade range bound with weak bias in near to midterm. Prices are finding immediate support at 8337. If prices breach this level they may find support at 8221. Prices are finding immediate resistance at retrenchment level 9850 uptrend and further up at 9900.

Commodity	Contract	S2	S1	R1	R2
Guarseed	NCDEX	2801	3018	3400	3585

Commodity	Contract	S2	S1	R1	R2
Guargum	NCDEX	8221	8337	9850	9900


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