

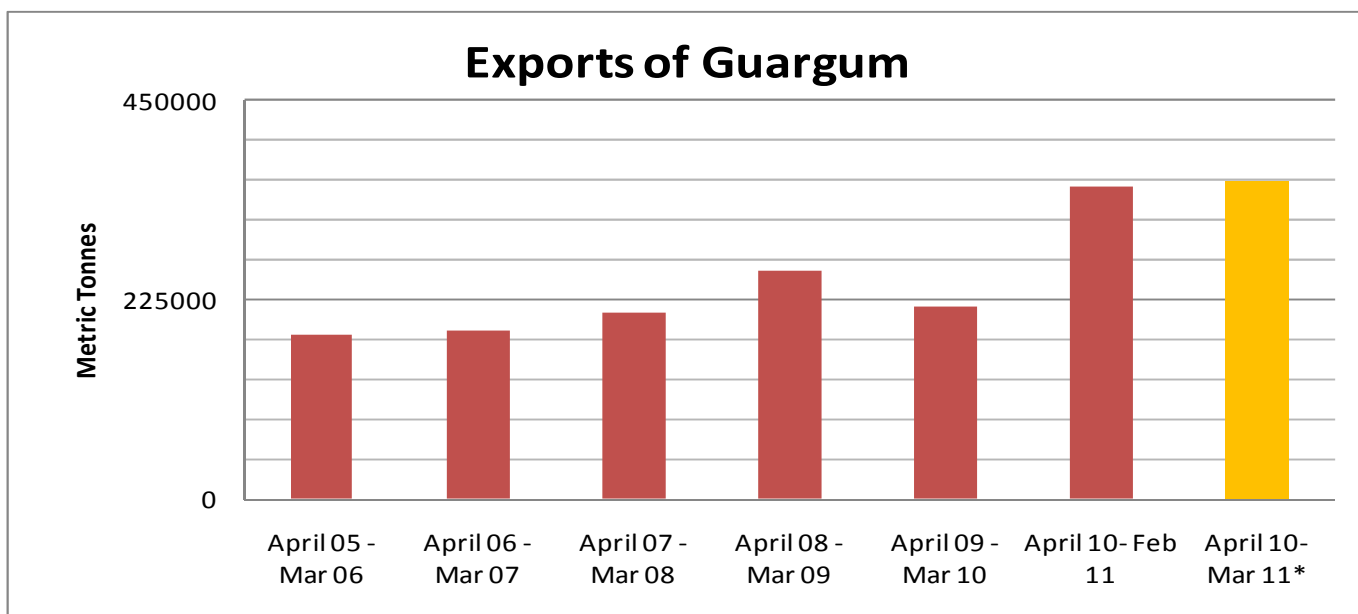
Highlight of the Month:

- Guar prices ended higher this month supported by shortage of stock in the physical and demat market.
- Limited stocks by stockists at around 20-25 lakh bags which is not sufficient enough to fulfill the requirement may further push the guar prices to gain in coming days.
- Guar prices also remained firm as exports during April 2010-February 2011 was higher at 192067 Metric tonnes compared to April 2009-February 2010 at 352911 Metric tonnes.
- According to the state agriculture department guar acreage as on July 29th 2011 has lagged behind at 15.07 lakh hectares compared to 17.19 lakh hectares during the corresponding year.

Market Dynamics:

Stockists and traders release lower stocks in the market during the month ended July 30th 2011 at 1, 82,000 bags (1 bag = 100Kg) as compared to the previous month's 2, 49,000 bags as stockists held on stocks anticipating higher prices. Prices moved higher in the month of July due to shortage of stocks in the physical and demat markets. As on 25th July 2011, the total amount of stocks in NCDEX warehouses was quoted at 96458 MT. Stocks in the physical markets were quoted at 200000-250000 MT.

The chart below shows the guar gum exports from April 2009-February 2010 to April 2010-February 2011:



As per latest report, Guar gum exports during April' 2010 - February 2011 stood at 352,911 tonnes as compared to 216,195 tonnes same period last year. AW research had projected the total exports to be 360,000 tonnes as indicated by the yellow bar in the chart. Total exports for the fiscal April 10-Mar 11 was slightly lower compared to the AW projection. However export of guar gum is increasing year on year due to escalating demand for guar gum in overseas market. According to the trade sources, demand for guar gum from US and China increased this year by 35 - 40% compared to last year. Guar gum exports from India are expected to be at record high in the current year.

In Jodhpur cash market the average guar seed and guar gum prices during the month (July 2011) increased to Rs.4322 and Rs.13034 per quintal respectively as compared to corresponding period last year's Rs.2475 and Rs.5447 per quintal. Prices improved due to shortage of stocks and firm export demand for gum. The table below shows the prices comparison of guar gum split and powder:

Commodity	Variety	30 th Jul, 2011 (\$/MT)	30 th Jun, 2011 (\$/MT)	Change
Guargum Split		3375	2700	675
Guargum Powder	200 Mesh 5000 CPS	4000	3600	400
	200 Mesh 3500 CPS	3975	3500	475

*prices in USD/MT and FOB Mundra Port

Higher prices of raw materials like Guargum, firm demand from cattle feed industry and lower supply push the prices higher for guar by products. Korma and Churi prices increased by 5.8% and 3.9% respectively compared to the previous month.

Commodity	30 th Jul, 2011 (Rs/Qtl)	30 th Jun, 2011 (Rs/Qtl)	Change
Churi	720	680	40
Korma	867	834	33

Crop Progress and Weather

Meanwhile, as per the data received from state agriculture department, Rajasthan so far the sown area under guar seed decreased at 15.07 lakh hectares compared to 17.19 lakh hectares corresponding period last year. Looking at the pace of sowing the sown area may surpass the governments set target of 27 lakh hectares. According to state agriculture department, Haryana country's second-largest producer of guar is eyeing over 35% increase in the crop area in the ongoing sowing season. The state is targeting to bring 3.50 lakh hectares under guar crop in current season compared with 2.56 lakh hectares brought last season.

State	Kharif 2010	Area Sown By this	Kharif 2011
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	Area Sown	Period Last Year	Target	Area Sown Till Date	% Target Area Achieved
Rajasthan	30	15.07	27	17.19	56
Haryana	2.56	0.65	3.50	0.53	15
Area in Lakh Hectares					

Source: Rajasthan krishi

Rajasthan	% Departure		Haryana	% Departure	
	As on 27-07-2011	As on 29-06-2011		As on 27-07-2011	As on 29-06-2011
Alwar	-40%	108%	Sirsa	-100%	-93%
Barmer	-74%	-100%	Bhiwani	-100%	172%
Bikaner	-62%	-63%	Hisar	-94%	-2%
Churu	-61%	770%	Jhajjar	-100%	25%
Ganganagar	-99%	-54%	Fatehabad	-97%	256%
Hanumangarh	-100%	-4%			
Jaisalmer	-99%	-100%			
Jodhpur	-96%	-60%			
Nagaur	-94%	125%			
Sikar	-96%	300%			
Jhunjhunu	-94%	191%			
Jalore	-28%	-100%			
Pali	-68%	-3%			

Source: IMD

Guar Prices at Key Spot Markets-Will be updated by evening

Commodity	Centre	Prices (Rs/Qtl)		Change
Guar Seed		30-07-2011	30-06-2011	
	Jodhpur (Delivery)	4700	3800	900
	Jodhpur (Loose)	4300	3650	650
	Bikaner	4450	3650	800
	Nokha	4300	3600	700
	Hanumangarh	4600	3625	975



	Sri-Ganganagar	-	-	-
	Adampur	4450	3760	700
	Sirsa	-	-	-
	Bhiwani	4550	3700	850
	Deesa	4080	3125	955
	Nagaur	-	-	-
	Dhabwali	4550	3600	950
Guar Gum	Jodhpur	14500	11450	3050
	Bhiwani	14700	11550	3150
	Dhabwali	14500	11800	2700

*Arrivals in bags & prices in Rs. /Quintal

Guar Arrivals in Key Centers- Will be updated by evening

Commodity	Centre	Prices (Rs/Qtl)		Change
Guar Seed		30-07-2011	30-06-2011	
	Jodhpur (Delivery)	-	-	-
	Jodhpur (Loose)	8000-10000	6000	4000
	Bikaner	300	150	150
	Nokha	500-700	1000	-300
	Hanumangarh	-	-	-
	Sri-Ganganagar	-	-	-
	Adampur	1500	1500	Unch
	Sirsa	-	-	-

	Bhiwani	-	-	-
	Deesa	180-200	235	-35
	Nagaur	-	-	-
	Dhabwali	-	-	-

Spot Market Technical Analysis of Guar seed & Guar gum

As evident from the guar seed monthly chart, the trend remains up and intact. Prices are well above the short term EMAs (9 and 18 days) which supports firm market. Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices. Immediate good support is at 4025 level and resistance at 4800 level. Guar seed prices in the coming Month are expected to remain in the range of 3800-4300.



Fig-1 – Guar Seed Monthly Spot Prices (Jodhpur) Technical Analysis

As evident from the guar seed monthly chart, the trend remains up and intact. Prices are well above the short term EMAs (9 and 18 days) which supports firm market. Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices. Immediate good support is at 12570 level and resistance at 15400 levels. Guar gum prices in the coming Month are expected to remain in the range of 13000-14000.



Fig-2 – Guar Gum Monthly Spot Prices (Jodhpur) Technical Analysis

Futures Market Technical Analysis:

Technical Commentary Guar Seed (NCDEX August Contract):

- As depicts in the chart, overall guar seed prices trend remains up and prices are above the short term EMAs (9 and 18 day) which hints for firm market.
- RSI is moving in overbought region which hint for possible weakness in prices in coming days.
- Market indicators MACD is moving up in positive zone, indicates the bullish sentiment in the market.
- Immediate good support can be seen at 4300 level and resistance at 4700 level.

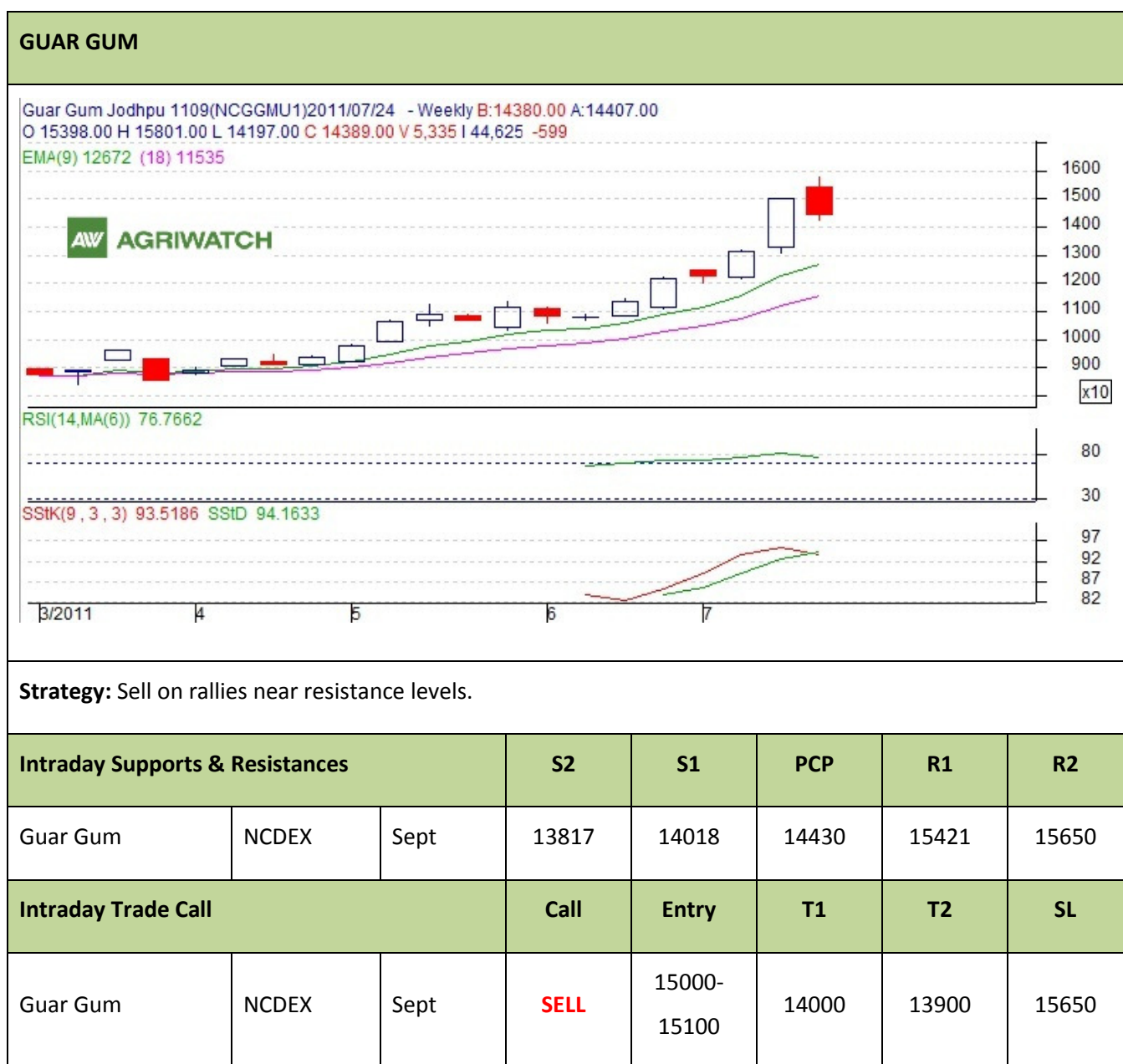


Strategy: Sell on rallies near resistance levels.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Aug	3993	4100	4385	5033	5140
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	SELL	4700- 4705	4200	4150	4980

Technical Commentary Guar Gum (NCDEX August Contract):

- Guar gum prices overall the trend remains up and intact.
- Prices are well above the short term EMAs (9 and 18 day) which hints for firm market.
- RSI and Stochastic Oscillators is moving in overbought region which hint for possible weakness in prices in coming days.
- We expect prices to move within the range between 13500-15000.



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