

### Highlight of the Month:

- Guar prices ended higher this month (July 2011) supported by lower stocks in the markets amid higher exports.
- Reportedly guar seed stocks are expected to be lower at around 75,000-80,000 tonnes this season against the normal stock level of 200,000-250,000 tonnes in the country.
- Sown area under Rajasthan as on July 29<sup>th</sup> 2011 is down by around 2 lakh hectares to 15.07 lakh hectares as compared to last year.

### Market Dynamics:

Stockists and traders released 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 further higher prices supporting the sentiment besides lower stocks in the markets and good export demand. Reportedly, stocks in the physical markets during the end of this marketing year 2010-11 is expected to remain at around 80,000-90,000 MT compared to the normal and last season's carry-out stocks at 250,000 MT.

In Jodhpur cash market the average guar seed and guar gum prices during the month (July 2011) increased to Rs.4,322 and Rs.13,034 per quintal respectively as compared to Rs.2,475 and Rs.5,447 per quintal corresponding period last year's.

Following regular overseas demand and higher prices of guar seed and guar gum, the export prices for guar gum split and powder also increased m-o-m basis. The following table shows the m-o-m price comparison for guar gum split and powder -

Commodity	Variety	30 <sup>th</sup> Jul, 2011 (\$/MT)	30 <sup>th</sup> 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 Guarseed, firm demand from cattle feed industry and lower supply also pushed up the prices of guar by products during the period and prices of Churi and Korma inched up by 5.8% and 3.9% respectively compared to the previous month.

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

### Crop Progress and Weather

As per the data received from state agriculture department, Rajasthan so far the sown area under guar seed stood 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	Area Sown By this Period Last Year	Kharif 2011		
			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

### Guar Prices at Key Spot Markets

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

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	<b>-35</b>
	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.

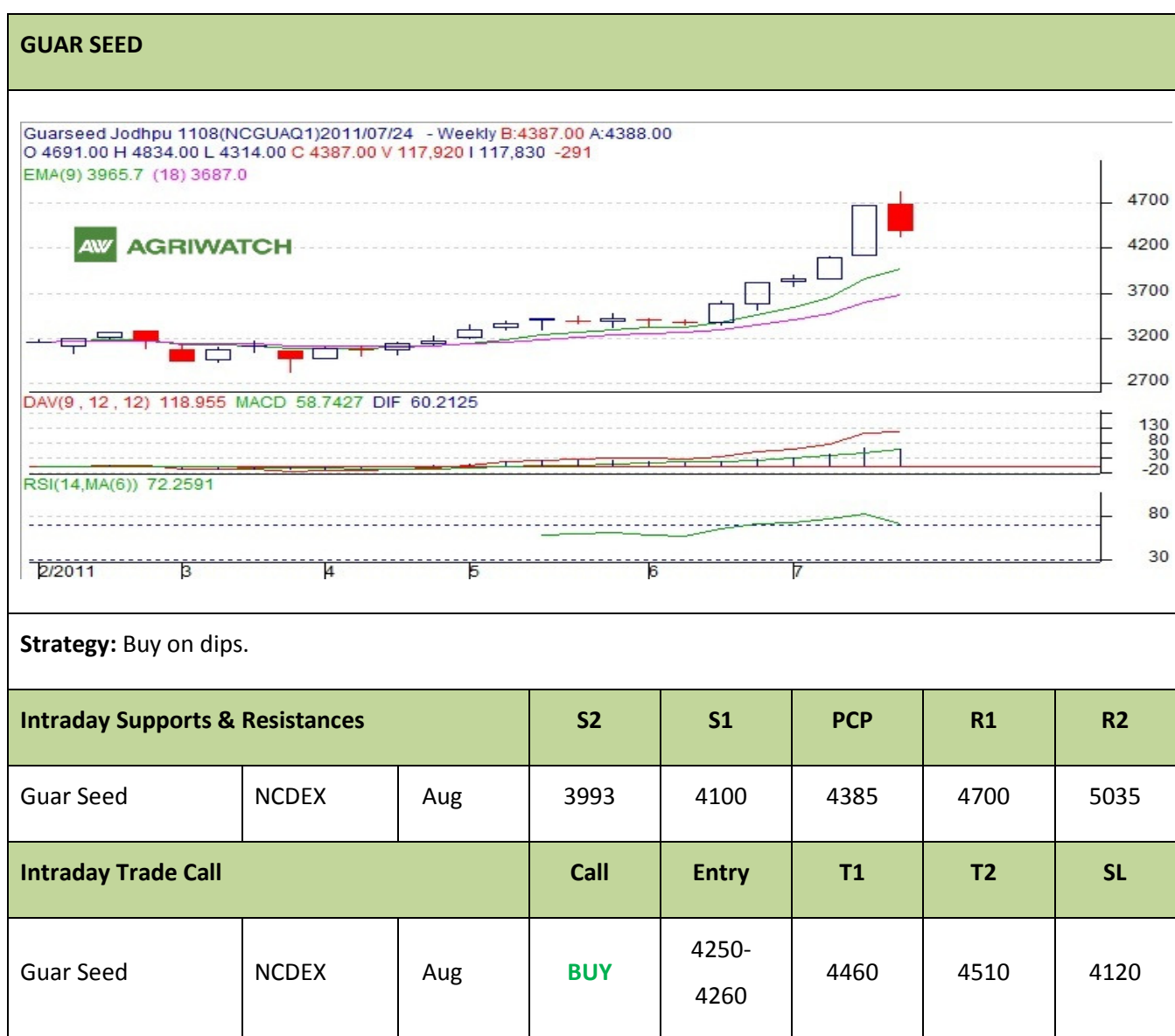


**Fig-2 – Guar Gum Monthly Spot Prices (Jodhpur) Technical Analysis**

## 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.


**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.



**Strategy:** Sell on rallies near resistance levels.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Sept	13500	13800	14430	15021	15350
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Sept	BUY	14200-14220	14780	14840	13880

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