

### Highlight of the Month:

- Guar prices ended higher this month (September 2011) supported by fears that crop is late due to unfavourable weather conditions during the final stages of sowing and lower production estimates.
- Price remained continued to remain mixed as production this year could be between 1.75-18 lakh tonnes.
- However, markets are seen at higher due to firm domestic and export demand coupled with lower carry-out stocks.
- Currently crop is progressing well and trade sources revealed that dry weather conditions may continue to support the crop progress.
- Millers and exporters having old stock are not ready to let go just yet which may also downside.

### Market Dynamics:

Prices remained firm at all trading centers supported by reports that production estimates will be lower. Prices may continue to remain firm in October till fresh arrivals come in the markets. Crop is delayed by 1 month and traders fear that carry-over stock of about close to 2 lakh tonnes may not be sufficient for consumption as demand remains firm. So, downside of prices may be restricted.

Commodity	Variety	30th Sept, 2011	30th Aug, 2011	Change
Guargum Split		3200	3500	-300
Guargum Powder	200 Mesh 5000 CPS	4200	4100	100
	200 Mesh 3500 CPS	4125	4050	75
Guargum Meal		240	250	-10
Prices in \$/MT and FOB Mundra Port				

Higher prices of raw materials like Guarseed, firm demand from cattle feed industry and lower supply push the prices higher for guar by products. Korma and Churi prices increased by 9.8% and 7.9% respectively compared to the previous month.

Commodity	30th Sept, 2011	30th Aug, 2011	Change
Churi	733	667	66
Korma	893	827	66
Prices in Rs/Qtl			

### Crop Progress

According to the state agriculture department, acreage in Rajasthan for 2011-12 is down by 1.52% at 29.07 lakh hectares compared to last year. Production has also decreased by 23.6% at 11.36 lakh tonnes compared to last year. Traders revised their estimates from 17.5 lakh tonnes to 15 lakh tonnes due to unfavorable weather conditions during the last stages of sowing in Rajasthan.

The following table shows the APY situation for 2011-12 Kharif season from the traders and official government point of view,

YEAR	Area (lakh hectares)	Production (lakh tonnes)	Yield (kg/ha)
2006-07	28.09	0.658	234
2007-08	29.10	12.43	427
2008-09	33.16	12.61	380
2009-10	25.81	0.201	230
2010-11	29.52	14.88	504
2011-12 <sup>*</sup>	29.07	11.36	390
2011-12 <sup>#</sup>	30.00	15.00	500

Source: <sup>\*</sup>- State Agriculture Department of Rajasthan, <sup>#</sup>-Traders estimates

### Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
		30-09-11	30-08-11	
Guar Seed	Jodhpur (Delivery)	4850	4600	250
	Jodhpur (Loose)	4325	4150	175
	Bikaner	4600	4230	370
	Nokha	4525	4350	175
	Hanumangarh	No Auction	4450	-
	Sri-Ganganagar	4600	4550	50
	Adampur	4700	4570	130
	Sirsa	4700	-	-
	Bhiwani	4580	4400	180
	Deesa	4180	4070-4075	105
	Nagaur	-	-	-
	Dhabwali	4550	4200	350
Guar Gum	Jodhpur	14550	14500	50
	Bhiwani	14600	14200	400
	Dhabwali	14900	13630	1270

Prices in Rs. /Quintal

## 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 4150 level and resistance at 4680 level. Guar seed prices in the coming Month are expected to remain in the range of 4300-4800.



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

As evident from the guar gum 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 13385 level and resistance at 15050 levels. Guar gum prices in the coming Month are expected to remain in the range of 13500-15100.



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 are above the short term EMAs (9 and 18 day) which hints for firm market.
- According to the Fibonacci Retracement, prices at above 23.6% level of 4521 and this levels acts as a good support. If this level is breached then we could prices at 38.2% Retracement level of 4247.
- RSI is moving in overbought region which hint for possible weakness in prices in coming days.
- Market indicator MACD is flat in positive zone and indicates the bullish sentiment in the market.

### GUAR SEED



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

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Oct	4232	4350	4623	4950	4994
Intraday Trade Call			Call	Entry	T1	T2	SL

Guar Seed	NCDEX	Oct	<b>SELL</b>	4750- 4755	4450	4400	4932
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**Technical Commentary Guar Gum (NCDEX August Contract):**

- Guar gum prices overall the trend remains up and have closed above the short term EMAs (9 and 18 day) which hints for firm market.
- According to the Fibonacci Retracement, prices at above 23.6% level of 14420 and this levels acts as a good support. If this level is breached then we could prices at 38.2% Retracement level of 13385.
- RSI is moving down in the neutral region and supports bearish sentiments.
- Market indicator MACD is flat in positive zone and indicates the bullish sentiment in the market.

**GUAR GUM**


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

Intraday Supports & Resistances	S2	S1	PCP	R1	R2
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Guar Gum	NCDEX	Oct	13934	14214	14494	15408	15500
<b>Intraday Trade Call</b>			<b>Call</b>	<b>Entry</b>	<b>T1</b>	<b>T2</b>	<b>SL</b>
Guar Gum	NCDEX	Oct	<b>SELL</b>	15000- 15050	14500	14400	15375

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