

**Domestic Market Recap:**

Both Guar Seed and Guar Gum featured a mixed sentiment in majority of cash markets during the week ending June 9th amid strong overseas demand for guar gum. Increasing demand in overseas market for guar gum also influenced the local processors to remain active in the markets which supported guar prices during this period.

In Jodhpur cash market the average guar seed and guar gum prices during last week rose to Rs.3488 and Rs.10600 per quintal up by Rs.2350 and Rs.4960 per quintal from corresponding period last year. Guar seed arrivals (all India basis) was also reported higher at 75, 000 bags during the period as compared to 52,000 bags last week as stockists are gradually offloading their stocks at higher prices. Also anticipation of decline in prices by stockists/traders due to expectations of normal and timely arrival of monsoon over the NW part of the country further triggered higher arrivals in the markets. Also around 18 - 20 lakh bags guar seed stocks are with stockists which they gradually will off-load in the domestic market at a higher price level.

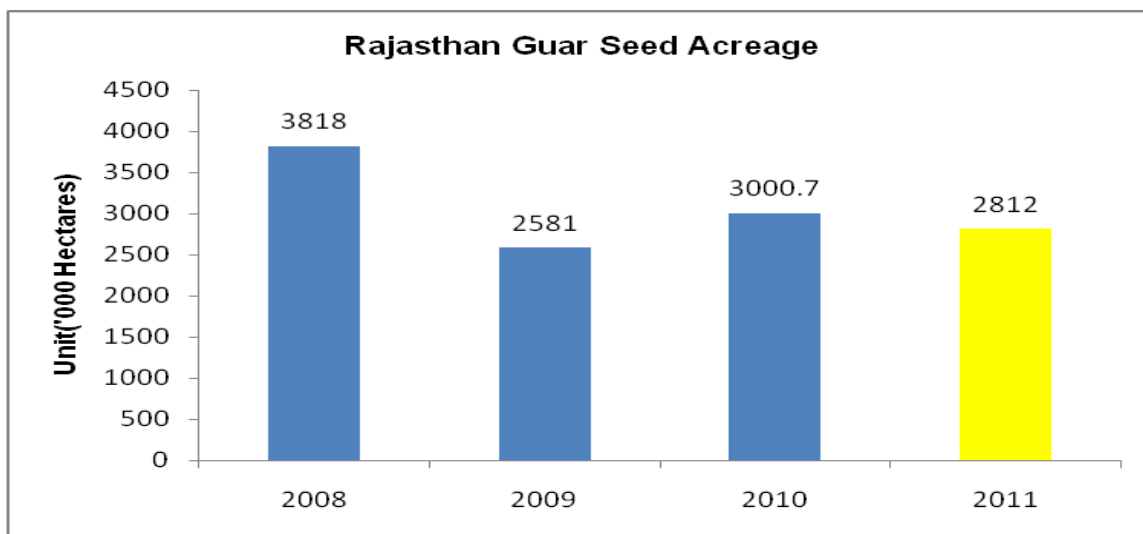
**Current Market Dynamics & Outlook**

Guar seed and guar gum prices traded with mixed sentiment during current week period. Continuing demand from Guar gum manufactures reported in the cash market following strong demand from guar gum exporters which remains supportive for guar seed prices. However, increasing supply in the markets on selling pressure from stockists, capped the gains to some extent. The average daily arrivals were reported at 10,714 bags (1 bag = 100Kg) as compared to the previous week's 10,400 bags.

Meanwhile, the guar seed arrivals are expected to increase further in coming days with the progress of SW monsoon. Timely onset of monsoon over NW India favours sowing which may weigh on prices.

According to the trade sources, this year if monsoon remains normal over the NW India particularly in Rajasthan then there is a huge possibility of guar area shifting to other crops like cotton which also performed well during the current marketing year. In Haryana, around 30-35 per cent guar area shifted towards cotton cultivation after the pre-monsoon showers.

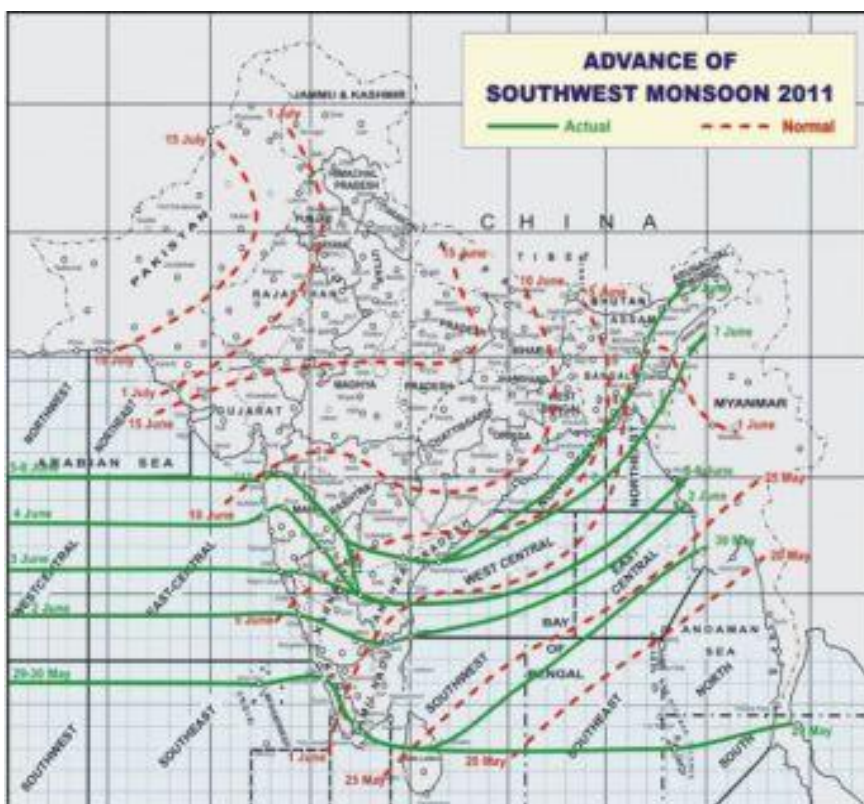
The initial estimate suggests that guar seed area this year (Kharif 2011) in Rajasthan is expected to decline by around 6 per cent compared to previous year. The chart below shows the year wise guar area coverage in Rajasthan and projected area for the current Kharif 2011 –



According to the farmer's in Rajasthan, if the progress of monsoon remains normal then guar sowing would start by end of this month (June). In districts like Barmer, Jaisalmer and Bikaner farmers are mostly inclined towards guar seed cultivation as the areas lacks irrigation facility and guar seed require much less water compared to other crops. However, farmers in Hanumangarh and Ganganagar districts may shift their land for cotton cultivation as these areas have the irrigation facility. However, monsoon will remain the key factor for deciding actual guar area in Rajasthan.

### **Monsoon Watch: (11-17 June)**

Monsoon surge may slightly weaken, which may cause slight delay in advance of monsoon over some parts of east India. However, good rainfall activity will continue along the west coast and northeastern states.



### Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
Guar Seed		08-06-2011	02-06-2011	
	Jodhpur (Delivery)	3450	3475	-25
	Jodhpur (Loose)	3100	3200	-100
	Bikaner	3280	3280	Unch
	Nokha	3250	3200	+50
	Hanumangarh	3266	3295	-29
	Sri-Ganganagar	-	-	-
	Adampur	3470	3400	+70
	Sirsa	3470	3400	+70
	Bhiwani	3470	3400	+70
	Deesa	3125	3145	-20
	Nagaur	-	-	-
	Dhabwali	3240	3300	-60
Guar Gum	Jodhpur	10350	10475	-125
	Bhiwani	10600	10500	+100
	Dhabwali	10500	10500	Unch

\*Arrivals in bags & prices in Rs. /Quintal

### Guar Export Prices:

Commodity	Variety	Value (\$/MT)
Guargum Split		2500
Guargum Powder	200 Mesh 5000 CPS	3200
	200 Mesh 3500 CPS	3150
Guargum Meal		300

### Guar by – Products Prices:

Commodity	Centre	Price (Rs/Qtl)
Churi	Jodhpur	680
Korma	Jodhpur	893

### Guar Arrivals in Key Centers

Commodity	Centre	Prices (Rs/Qtl)		Change
Guar Seed		08-06-2011	02-06-2011	
	Jodhpur (Delivery)	-	-	-
	Jodhpur (Loose)	6000	5000	+1000
	Bikaner	200	400	-200
	Nokha	700	1500	-800
	Hanumangarh	-	-	-
	Sri-Ganganagar	-	-	-
	Adampur	2500	2000	+500
	Sirsa	-	-	-
	Bhiwani	-	-	-
	Deesa	250	150	+100
	Nagaur	-	-	-
	Dhabwali	-	-	-

## Spot Market Technical Analysis of Guar seed & Guar gum



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

As evident from the above weekly chart, guar seed prices are moving in the rising channel and overall the trend remains up and intact. Prices are well above the short term EMAs (9 and 18 days) which supports firm market. Immediate good support is at 3174 level and resistance at 3335 level. Guar seed prices for the coming week is expected to remain in the range of 3174-3335 and one should opt for buying guar seed at 3174 for the target of 3335.



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

As reflected in the above chart, overall guar gum trend remain up and intact. Market indicators MACD is moving up in positive zone, indicates the bullish sentiment in the market. Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices. Immediate good support can be seen at 10095 level and resistance at 10857 level. Guar gum prices for the coming week is expected to remain in the range of 10095-10857 and one should opt for buying guar gum at 10095 for the target of 10857.



## Futures Market Technical Analysis:

**Commodity:** Guar Seed  
**Contract:** June

**Exchange:** NCDEX  
**Expiry:** June 20<sup>th</sup>, 2011

### GUAR SEED

#### Technical Commentary:

- As reflected in the chart overall prices trend remains up and prices are holding the level well above the short term EMAs (9 and 18 day) which hints for firm market.
- RSI is moving down in positive regions which hint for possible weakness in prices in coming days.



**Strategy:** Buy on dips near support level. However, if the prices closed below 3228 which is a good trend line support level also, there is a possibility of drag down the prices.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	June	3228	3259	3253	3364	3389
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	BUY	>3256	3316	3342	3226

**Commodity:** Guar Gum  
**Contract:** June

**Exchange:** NCDEX  
**Expiry:** June 20<sup>th</sup>, 2011

### GUAR GUM

#### Technical Commentary:

- Guar gum prices are moving in the rising channel and overall the trend remains up and intact. Prices are well above the short term EMAs (9 and 18 day) which hints for firm market.
- Oscillator RSI shows sign of negative divergence, which shows possible weakness in the market.



**Strategy:** Buy on dips near support level.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	9494	9849	10230	10726	10931
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	BUY	>9849	10246	10358	9642