

Domestic Market Recap:

- Both Guarseed and guar gum prices remained firm at most markets amid continuing good demand and tight supply.
- In Jodhpur cash market the average guar seed and guar gum prices during the week ending July 20th, rose to Rs.4,252 and Rs.12,930 per quintal respectively as against last week's Rs.4,030 and Rs.12,116 per quintal.
- Reportedly stocks are expected to negligible at around 70,000 – 80,000 tonnes as compared to last year's 2,00,000 tonnes.
- As per sources, millers in Rajasthan and Haryana are asking farmers to grow more guar and also promising them to buy at a good price.
- As per sources, demand from exporter is continue to remain in the markets, supporting the sentiment.
- According to Rajasthan state agriculture department as on 22nd July 2011 sown area under Guarseed is up at 13.162 lakh hectares compared to 10.12 lakh hectares during the same period last year.

Current Market Dynamics & Outlook

Market sentiments remained firm due to continuing good demand from exporters for guar gum which also motivated millers/processors to remain active in the markets besides tight supply of guar seed in the markets. Reportedly higher demand from oil producing nations for guar gum and split further supporting the sentiment and sources revealed that rising crude oil prices may keep the sentiment firm.

Meanwhile, as per the data received from state agriculture department, Rajasthan so far the sown area under guar seed increased significantly to 14.265 lakh hectares compared to 6.81 lakh hectares corresponding period last year amid higher prices and lower rains. Being a rainfed crop, guar requires very less water (2 irrigation or 2 spell of rainfall during the life cycle) compared to other crops and this year the distribution of rains over the growing regions are not well due to which farmers switched to guar cultivation besides significantly higher prices this year. Looking at the pace of sowing the sown area may surpass the governments set target of 27 lakh hectares and even the last year's level.

Kharif 2010 Area Sown	Area Sown By this Period Last Year	Kharif 2011		
		Target	Area Sown Till Date	% Target Area Achieved
30	10.12	27	13.162	49
Area in Lakh Hectares				

Source: Rajasthan krishi

Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)	Change
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		21-07-2011	14-07-2011	
Guar Seed	Jodhpur (Delivery)	4350	4150	200
	Jodhpur (Loose)	4040-4050	3750	300
	Bikaner	4175	3950	225
	Nokha	4150	4000	150
	Hanumangarh	3975	3875	100
	Sri-Ganganagar	-	-	-
	Adampur	4310	4150	160
	Sirsa	-	-	-
	Bhiwani	4250	4070	180
	Deesa	3720	3530-3560	160
	Nagaur	-	-	-
	Dhabwali	4100	4000	100
Guar Gum	Jodhpur	13100	12650	450
	Bhiwani	13200	12750	450
	Dhabwali	13250	12750	500

Guar by – Products Prices:

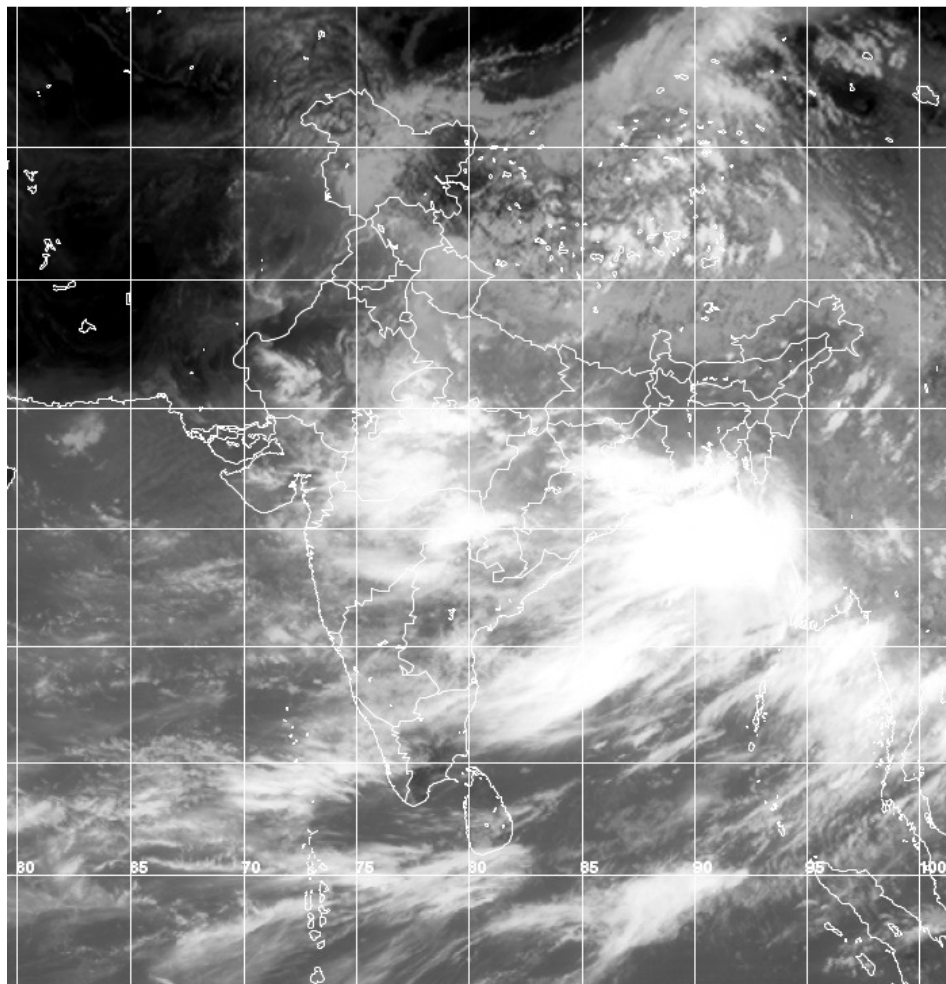
Commodity	Centre	Price (Rs/Qtl)	
		21-07-11	14-07-11
Churi	Jodhpur	680	680
Korma	Jodhpur	833	833

Guar Export Prices:

Commodity	Variety	Value (\$/MT)	
		21-07-11	14-07-11
Guargum Split		3000	2950
Guargum Powder	200 Mesh 5000 CPS	3850	3750
	200 Mesh 3500 CPS	3800	3700
Guargum Meal		280	280

Monsoon Watch for Coming Week (23 - 30 July)

According to IMD, weak monsoon conditions may prevail over the northern belt of the country. Scattered rainfall activity is likely over northwest India during next week.



Spot Market Technical Analysis of Guar seed & Guar gum

Guarseed Jodhpur(NCGUA)2011/07/17 - Weekly B:663.50 A:663.60
O 4044.95 H 4232.15 L 4030.85 C 4232.15 +252.65
EMA(9) 3686.1 (18) 3398.0



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

As shown from the weekly chart, guar seed prices are moving up. Prices are well above the short term EMAs (9 and 18 days) which supports the bullish sentiments in the market. MACD is also moving up in positive zone indicating bullish sentiments in the market. Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices. Immediate good support is at 4136 level and resistance at 4300 level. Guar seed prices expected to remain range bound with a firm bias in coming week.


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

As depicted in chart overall trend remains up and intact. Prices are well above the short term EMAs (9 and 18 days) which supports for a firm market. Momentum indicator MACD also indicate for a firm market ahead. Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices. Immediate good support is at 13200 level and resistance at 14000 levels. Guar gum prices expected to remain range bound with a firm bias in coming week.

Technical Commentary: (Guarseed)

- As evident from the chart, overall guar seed prices trend remains up and prices are well above the short term EMAs (9 and 18 day) which supports the bullish trend in the market.
- RSI is moving up in the overbought region which hints for possible weakness in prices in coming days.
- MACD is moving up in the positive region and supports the uptrend.
- Immediate good support can be seen at 4150 level and resistance at 4450 level.

GUAR SEED

Guarseed Jodhpur 1108(NCGUAQ1)2011/07/17 - Weekly B:4331.00 A:4332.00
 O 4107.00 H 4360.00 L 4107.00 C 4332.00 V 264,770 I 208,950 +236
 EMA(9) 3791.1 (18) 3568.3



Strategy: Buy on dips near support level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	August	3921	4014	4334	4520	4680
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	August	BUY	4250-4255	4505	4530	4110

Technical Commentary: (Guargum)

- From the chart we can see that Guar gum prices are moving up and overall the trend remains firm and intact.
- Prices are well above the short term EMAs (9 and 18 day) which supports the bullish trend in the futures market.
- RSI and Stochastic oscillators are moving up in overbought region which hint for possible weakness in prices in coming days.
- Immediate good support can be seen at 13300 level and resistance at 14200 level.

GUAR GUM

Guar Gum Jodhpu 1109(NCGGMU1)2011/07/17 - Weekly **B:13855.00** A:13856.00
 O 13244.00 H 13960.00 L 13050.00 C 13856.00 V 8,055 I 46,335 +740

EMA(9) 12016 (18) 11080



Strategy: Buy on dips near support level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	September	12374	12712	13856	14532	15104
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	BUY	13695- 13700	14150	14200	13442

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