

Domestic Market Recap:

- Guar prices traded firm in major cash markets during the week ending July 28th amid lower stocks and regular demand from millers/processors.
- In Jodhpur market the average guar seed and guar gum prices during the week ending July 28th, rose to Rs.4,816 and Rs.14,567 per quintal respectively as against last week's Rs.4,252 and Rs.12,930 per quintal.
- Total NCDEX stock as on July 25th stood at 96,458 MT as compared to last week's stocks at 98,372 MT.
- Sources revealed that that good export demand may continue to push markets higher.
- According to Rajasthan state agriculture department, sown area under guar as on July 29th stood at 15.07 lakh hectares as compared to 17.19 lakh hectares during corresponding period last year.

Current Market Dynamics

Depleting stocks in the markets and continuing good demand for guar seed from millers/processors following regular demand for guar gum from exporters continue to support both guar seed and guar gum prices in the markets.

Reportedly, stocks (ending stocks) this season is expected to decline significantly (below 100,000 tonnes against normal stocks of 200,000-250,000 tonnes) which remains supportive for prices. However, stockists who are having stocks may take advantage of higher domestic prices and may offload their stocks which may trigger weakness in prices besides favourable crop weather over the key growing state Rajasthan.

Crop Progress & Weather

As per the latest data received from the states (Rajasthan and Haryana) the sown area under guar crop is lagging behind as compared to last year as the area is shifted towards Oilseeds, Moong and Cereals (Jowar) crops. The following table shows the sowing progress of Rajasthan and Haryana as on July 29th, 2011 –

State	Kharif 2010 Area Sown	Area Sown By this Period Last Year	Kharif 2011		
			Target	Area Sown Till July 29 th 2011	% Change from Same Period Last year
Rajasthan	30	17.19	27	15.07	-12.33
Haryana	2.56	0.65	3.50	0.53	-18.46
Area in Lakh Hectares					

Despite of lower rains during last 1-2 week, so far the weather remains favourable for crops growth as guar requires lower water as compared to other crops. Since, guar crop is in vegetative stage in Rajasthan so one irrigation and rainfall required at this stage. Lack of rainfall at this stage may affect the yields.

Monsoon Watch:

According to IMD, cumulative rainfall for the country as a whole, during this year's monsoon has so far upto 27 July been 4% below the LPA. The cumulative seasonal rainfall continues to remain near normal over all the four homogeneous regions.

Details of the rainfall distribution over the four broad homogeneous regions of India are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	399.1	415.0	-04
Northwest India	261.7	258.0	01
Central India	451.2	444.0	02
South Peninsula	340.2	350.5	-03
East & northeast India	626.8	736.0	-15

Forecast for the coming week (July 30 – Aug 05):

Fairly widespread rain/thundershowers would occur along west coast, foothills of Himalayas and over northeastern states during the week. Scattered rain/thundershowers would occur over central & east India and adjoining Peninsula during 1st half of the week and may increase thereafter. Scattered rain/thundershowers would occur over plains of northwest India. Rainfall may remain subdued over Gujarat and extreme southeast Peninsula.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
Guar Seed		28-07-2011	21-07-2011	
	Jodhpur (Delivery)	4950	4350	600
	Jodhpur (Loose)	4500	4040-4050	450
	Bikaner	4650-4675	4175	500
	Nokha	4575	4150	425
	Hanumangarh	4945	3975	970
	Sri-Ganganagar	-	-	-
	Adampur	4940	4310	630
	Sirsa	-	-	-
	Bhiwani	4950	4250	700
	Deesa	4140	3720	420
	Nagaur	-	-	-
	Dhabwali	4945	4100	845
	Jodhpur	15050-15100	13100	2000
Guar Gum	Bhiwani	15200	13200	2000
	Dhabwali	15300	13250	2050

Guar by – Products Prices:

Commodity	Centre	Price (Rs/Qtl)	
		28-07-11	21-07-11
Churi	Jodhpur	746	680
Korma	Jodhpur	906	833

Guar Export Prices:

Commodity	Variety	Value (\$/MT)	
		28-07-11	21-07-11
Guargum Split		3425	3000
Guargum Powder	200 Mesh 5000 CPS	4050	3850
	200 Mesh 3500 CPS	4025	3800
Guargum Meal		300	280

Spot Market Technical Analysis of Guar seed & Guar gum

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

As evident from the weekly chart, guar seed price trend is up and intact. 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 4686 level and resistance at 4871 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 evident 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 15074 level and resistance at 15563 levels. Guar gum prices expected to remain range bound with a firm bias in coming week.

Spot Outlook:

Both Guarseed and Guargum prices are expected to remain range bound with slight firmness during the coming week on regular demand and depleting stocks. However, offloading of stocks from stockists at higher price levels may trigger weakness in prices.

Exchange Technicals (NCDEX):

Technical Commentary: (Guarseed)

- As evident from the chart, overall guar seed futures 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 4600 level and resistance at 4850 level.

GUAR SEED

Guarseed Jodhpur 1108(NCGUAQ1)2011/07/24 - Weekly B:4387.00 A:4388.00
 O 4691.00 H 4834.00 L 4314.00 C 4387.00 V 117,920 I 117,830 -291
 EMA(9) 3965.7 (18) 3687.0



Strategy: Sell on rallies near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	August	3993	4100	4385	5033	5140
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	August	SELL	4500-4550	4350	4300	4675

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 14966 level and resistance at 15800 levels.

GUAR GUM

Guar Gum Jodhpur 1109(NCGGMU1)2011/07/24 - Weekly B:14380.00 A:14407.00
 O 15398.00 H 15801.00 L 14197.00 C 14389.00 V 5,335 I 44,625 -599

EMA(9) 12672 (18) 11535



Strategy: Buy on dips near support level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	September	13817	14018	14430	15421	15650
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	BUY	14700-14750	14300	14200	15025

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