

Domestic Market Recap:

- Guar prices remain closed in Rajasthan due to local festival in Rajasthan. However prices surged higher in Haryana supported by firm demand and shortage of stocks in the market.
- Activity remained dull due to Eid and Ganesh Chaturthi festivals.
- Traders are expecting a production of 2 crore bags for Rajasthan which is going to higher compared to last year production at 1.4 crore bags.
- Export demand remained weak and may continue restrict upside.
- Fresh arrivals will start by September End and demand may be higher for the new crop.
- Sown area under Rajasthan as on August 28th 2011 is down by around 2.5 lakh hectares to 27.57 lakh hectares as compared to 30 lakh hectares last year.
- As on August 29th 2011, demat stock is at 88,024 MT compared to 88,672 MT as on August 22nd 2011.

Current Market Dynamics

Prices continue to move up supported by depleting stocks and lower area of Guarseed in Rajasthan.

Meanwhile, speculation has begun that the current year's crop production will cross the 2 crore bags mark and yield will be higher compared to last year's yield of 515 Kg/ha. Trade sources revealed that yield this year will definitely cross 500 Kg/ha. However weather needs to drier for the next 15 days or to reach that yield. Export demand continues to be weak and millers say that fresh inquiry is not coming in for new crop till now.

Crop Progress & Condition

as per the data received from state agriculture department, sown area under guar seed as on August 28th 2011 is down by around 2.5 lakh hectares to 27.57 lakh hectares as compared to 30 lakh hectares last year. Area has surpassed the governments set target of 27 lakh hectares. According to state agriculture department, Haryana country's second-largest producer of guar, area has come down by 21.8% primarily because of scanty rainfall and an increase in the area under cotton cultivation due to higher remunerative prices for cotton last season. .

The following table shows the sowing progress of Rajasthan as of August 28th, 2011 –

State	Kharif 2010 Area Sown	Area Sown By this Period Last Year	Kharif 2011			
			Target	Area Sown by Aug. 28 th , 2011	Area Sown by Aug. 16 th , 2011	% Change from Same Period Last year
Rajasthan	30	30	27	27.57	26.08	-8.1
Haryana	2.56	2.75	3.50	2.15	2.00	-21.8
Area in Lakh Hectares, Source: Agriculture Department of Rajasthan and Haryana						

According to the state agriculture department of Rajasthan and Haryana, there are no reports of pests/diseases till now. However increase of yield will depend on water availability after the next 15 days.

Weather Watch (September 03rd-09th):

According to IMD, fairly widespread thundershowers would occur over Rajasthan and Gujarat in the next 24 hours which may help crop progress activity.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
		02-09-11	24-08-11	
Guar Seed				
	Jodhpur (Delivery)	No Trade	4550	-
	Jodhpur (Loose)	No Trade	4100	-
	Bikaner (Delivery)	No Trade	4400	-
	Bikaner (Loose)	No Trade	4250	-
	Nokha	No Trade	4050	-
	Hanumangarh	No Trade	4170	-
	Sri-Ganganagar	No Trade	4365	-
	Adampur	4420	4300	120
	Sirsa	-	-	-
	Bhiwani	4400	4300	100
	Deesa	4140-4145	4065-4070	75
	Nagaur	-	-	-
	Dhabwali	4400	4250	150
Guar Gum	Jodhpur	No Trade	13300	-
	Bhiwani	14000	13700	300
	Dhabwali	14300	13500	800

Guar by – Products Prices:

Commodity	Centre	Price (Rs/Qtl)	
		02-09-11	24-08-11
Churi	Jodhpur	Closed	680
Korma	Jodhpur	Closed	833

Guar Export Prices:

Commodity	Variety	Value (\$/MT)	
		02-09-11	24-08-11
Guargum Split		Closed	3200
Guargum Powder	200 Mesh 5000 CPS	Closed	4000
	200 Mesh 3500 CPS	Closed	3950
Guargum Meal		Closed	260

Spot Market Technical Analysis of Guar seed & Guar gum



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

As evident from the chart, overall guar seed futures prices trend remains up and prices are still above the short term EMAs (9 and 18 day) which supports the bullish trend in the market. Prices remain above a crucial support of 4135 and breaching this support would bring down prices to 3730. Important resistance is seen at 4500 and breaching this resistance would push prices upto 4500. RSI is moving down the overbought region and suggests weakness in the short-term. MACD is flat in the positive region and supports the bullish sentiments.



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

As evident from the weekly chart, guar seed price trend is up. Prices are however slightly 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 is moving down in overbought zone indicating that markets could witness some profit booking in the near term. Prices remain above a crucial support of 12835 and breaching this support would bring down prices to 11297. Important resistance is seen at 14500 and breaching this resistance would push prices upto 15400.

Spot Outlook:

Both Guarseed and Guargum prices are expected to trade range bound with slight weakness due to weak demand at higher price levels. However, the expected weakness would be limited due to depleting stocks and lower sown area under guar till date.

Exchange Technicals (NCDEX):**Technical Commentary: (Guarseed)**

- As evident from the chart, overall guar seed futures prices trend remains up and prices are still above the short term EMAs (9 and 18 day) which supports the bullish trend in the market.
- According to the trend line drawn, immediate support is at 4089 and breaching this level would take the prices down to 3500 levels. Immediate resistance is at 4628 and breaching this level would take prices to 5000 levels.
- RSI is moving down in the neutral region and 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.

GUAR SEED



Strategy: Sell on rallies near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	September	3928	4092	4327	4654	4771
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	SELL	4495-4500	4345	4315	4592

Technical Commentary: (Guargum)

- As evident from the chart, overall guar gum futures prices trend remains up and prices are still above the short term EMAs (9 and 18 day) which supports the bullish trend in the market.
- According to the trend line drawn, immediate support is at 13295 and breaching this level would take the prices down to 12000 levels. Immediate resistance is at 15200 and breaching this level would take prices to 16000 levels.
- RSI is moving down in the neutral region and hint for possible weakness in prices in coming days.

GUAR GUM



Strategy: Sell on rallies near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	October	12878	13448	14190	15330	15701
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	SELL	14345- 14350	13995	13895	14577

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