

Domestic Market Recap:

- Both guar seed and guar gum prices featured a firm tone on lower production estimates.
- Depreciating rupee may hinder guar gum exports.
- Harvest may delay in Rajasthan.
- Guar Seed stocks at NCDEX (as of Sept 26th) declined to 85,915 MT compared to 86,552 MT last week.

Current Market Dynamics

Both guar seed and guar gum trade firm during the week ending September 29th, 2011 on regular demand from processors. Expectation of lower guar seed production this year (2011-12) on lower sown area as well as regular heavy rains during the last stage of sowing further supported the sentiment besides depleting stocks in the markets. As per the sources, guar seed stocks are currently below 1 – 1.25 lakh tonnes which normally remains at around 2-2.5 lakh tonnes. Higher exports of guar gum (403,007 tonnes) during the April'10-March'11 mainly attributed to falling stocks. Meanwhile, market participants expects overall guar seed production in the country will remain at lower side at around 14-15 lakh tonnes out of which Rajasthan is expected to produce around 11.5-12 lakh tonnes down from last year's 14.8-15 lakh tonnes.

Further, depreciating rupee against dollar may hinder the exports of guar gum, which may restrict any major rise in both guar seed and guar gum prices.

Crop Condition & Weather

Currently guar seed crop is in vegetative to flowering stage in the key growing regions of Rajasthan and reportedly better soil moisture and dry weather condition favours good crop growth.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
		28-09-11	21-09-11	
Guar Seed	Jodhpur (Delivery)	4850	4825	25
	Jodhpur (Loose)	4325	4460	-135
	Bikaner (Delivery)	4450	No Auction	-
	Bikaner (Loose)	4600	No Auction	-
	Nokha	4400	4220	180
	Hanumangarh	No Auction	4445-4450	-
	Sri-Ganganagar	4600	4350	250
	Adampur	4700	4550	150
	Sirsa	4700	4550	150
	Bhiwani	4580	4350	230
	Deesa	4180	4085-4090	90
	Nagaur	-	-	-
	Dhabwali	4650	4550	100
	Jodhpur	14550	14450	100
Guar Gum	Bhiwani	14600	14500	100
	Dhabwali	14900	14400	500

Guar by – Products Prices:

Commodity	Centre	Price (Rs/Qtl)	
		28-09-11	21-09-11
Churi	Jodhpur	733	709
Korma	Jodhpur	893	827

Guar Export Prices:

Commodity	Variety	Value (\$/MT)	
		28-09-11	21-09-11
Guargum Split		3200	3200
Guargum Powder	200 Mesh 5000 CPS	4200	4100
	200 Mesh 3500 CPS	4125	4050
Guargum Meal		240	235

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 intact. 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 4000 and could move towards the important resistance at 4800. RSI is flat 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 gum prices trend remains up and intact. Prices are 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 flat the overbought region and suggests weakness in the short-term. Prices remain above a crucial support of 13380 and could move towards the important resistance at 15450.

Spot Outlook:

Both Guarseed and Guargum prices are expected to trade range bound to firm due to firm demand and fear of delay of crop. However, the long term trend seems to be firm as production estimates is expected to be lower compared to last year.

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.
- Prices are trading in range from 4400-4900 and breaching either level would give us further prices direction.
- Overbought nature of the RSI hint for possible weakness in prices in coming days.

GUAR SEED


Strategy: Sell on rallies near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	October	4410	4516	4630	4800	4900
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	SELL	4700-4705	4550	4500	4785

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.
- Prices are trading in range from 13880-15700 and breaching either level would give us further prices direction.

- Position of the RSI 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	13886	14360	14528	15200	15717
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	SELL	14950-15000	14550	14500	15175

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