

## Domestic Market Recap:

- Both guar seed and guar gum prices witnessed heavy selling as stockiest offloaded stocks at highs in anticipation of fresh arrivals in the next 15 days.
- Trade sources continue to say that add that this year production will be 15 lakh tonnes much less than 17.5 lakh tonnes quoted during the last week.
- Cash markets were also influenced by heavy selling in the futures counter.
- According to state agriculture department of Rajasthan production estimate is 11.36 lakh tonnes lower compared to 14.88 lakh tonnes the year before.
- Guar Seed stocks at NCDEX (as of October 03<sup>rd</sup>) declined to 85,020 MT compared to 85,915 MT last week.

## Current Market Dynamics

Both guar seed and guar gum fell heavily this week influenced by weak futures counter and offloading of stocks from stockiest. 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 restricted the downside in prices. According to state agriculture department of Rajasthan production estimate is 11.36 lakh tonnes lower compared to 14.88 lakh tonnes the year before. As per the sources, guar seed production will be at 15 lakh tonnes at par compared to last year's production figures. Current weather conditions are favouring the crop growth and will also support the initial harvest in Haryana and North Rajasthan.

## 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
		04-10-11	28-09-11	
Guar Seed	Jodhpur (Delivery)	4575-4580	4850	-270
	Jodhpur (Loose)	4150	4325	-175
	Bikaner (Delivery)	4150	4450	-300
	Bikaner (Loose)	4310	4600	-290
	Nokha	4120	4400	-280
	Hanumangarh	-	-	-
	Sri-Ganganagar	4350	4600	-250
	Adampur	4400	4700	-300
	Sirsa	4400	4700	-300
	Bhiwani	4210-4215	4580	-365
	Deesa	4130-4160	4180	-20
	Nagaur	-	-	-
	Dhabwali	4300	4650	-350
	Jodhpur	13500	14550	-1050
Guar Gum	Bhiwani	13300	14600	-1300
	Dhabwali	13800	14900	-1100

**Guar by – Products Prices:**

Commodity	Centre	Price (Rs/Qtl)	
		04-10-11	28-09-11
Churi	Jodhpur	707	733
Korma	Jodhpur	867	893

**Guar Export Prices:**

Commodity	Variety	Value (\$/MT)	
		04-10-11	28-09-11
Guargum Split		2950	3200
Guargum Powder	200 Mesh 5000 CPS	4000	4200
	200 Mesh 3500 CPS	3950	4125
Guargum Meal		225	240

**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 are trading in a range from 4190-4630 which acts as immediate support and resistance and breaching either level would give us further price trend. RSI is moving up the neutral region and suggests firm sentiments in the short-term.



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

As evident from the weekly chart, guar gum prices trend remains mixed as prices are above the 9-day EMA but below the 18-day EMA. Oscillator RSI is moving up the neutral region and suggests firm sentiments in the short-term. Prices are trading in a range from 13360-14775 which acts as immediate support and resistance and breaching either level would give us further price trend.

### Spot Outlook:

Both Guarseed and Guargum prices are expected to trade range bound to weak due to weak and offloading of stocks from stockiest. The medium to long term trend may be weak initially due to the pressure of fresh crop arrival, however due to lower production estimates this year prices may see support at lows.

### 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.
- Immediate supports are at 4090 and 4185 and immediate resistances are at 4655 and 4748.
- Oscillator RSI is moving up the neutral region and suggests firm sentiments in the short-term.



**Strategy:** Sell near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	October	4090	4185	4385	4655	4748

#### 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.
- Immediate supports are at 12938 and 13367 and immediate resistances are at 14727 and 15056.
- Oscillator RSI is moving up the neutral region and suggests firm sentiments in the short-term.

**GUAR GUM**





**Strategy:** Sell near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	October	13886	14360	14528	15200	15717

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