

Domestic Market Recap:

- Prices fell heavily as fresh arrival improved this week and has prompted stockiest to release their stocks.
- Markets sentiments remained weak as Millers released their stock in the market.
- Cash markets were also influenced by heavy selling in the futures counter.
- Traders added that arrival will increase post Diwali and may pull markets lower and traders have set a target of Rs. 3800/Qtl for Jodhpur Delivery prices.
- According to traders total production will be around 11.27 lakh tonnes with Rajasthan producing 11 lakh tonnes, Haryana producing 0.2 lakh tonnes and Gujarat production 0.07 lakh tonnes.
- Guar Seed and Guar gum stocks at NCDEX (as of October 17th) declined to 73,965 MT compared to 74,396 MT last week.

Current Market Dynamics

Guar seed and Guar gum prices fell heavily in major trading centers this week as fresh arrival increased this week compared to last week. Sentiments remained weak as millers have started to offload stocks into the markets. Cash markets were also influenced by weak futures counter. Guar seed and Guar gum active futures contracts fell 2.72% and 3.27% respectively. According to state agriculture department of Rajasthan production estimate remains at 11.36 lakh tonnes lower compared to 14.88 lakh tonnes the year before. However, as per trade sources Rajasthan production estimate is lowered at 11 lakh tonnes. The table below shows the APY of guar over the last 10 years in Rajasthan and comparison between trader's estimates and state agriculture department of Rajasthan estimates for 2011-12,

Year	Area	Production	Yield
2000-01	30.56	0.48	157
2001-02	24.12	0.76	316
2002-03	5.56	0.03	50
2003-04	22.78	11.63	511
2004-05	19.44	0.37	189
2005-06	24.44	0.59	243
2006-07	28.09	0.66	234
2007-08	29.10	12.43	427
2008-09	33.16	12.61	380
2009-10	25.81	0.20	230
2010-11	29.52	14.88	504
2011-12*	29.07	11.36	390
2011-12#	30.00	11.00	272

Area-Lakh Hectares, Production-Lakh Tonnes, Yield-Kg/HA

***-Department of Agriculture, #-Traders Estimates**

Crop Condition & Weather

Currently guar seed crop is in flowering stage in the key growing regions of Rajasthan and reportedly better soil moisture and dry weather condition favours good crop growth. Harvest has started in most producing districts and fresh arrivals have started to come in the markets.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices in Rs/Qtl		Change
		19-10-11	12-10-11	
Guar Seed	Jodhpur (Delivery)	4325	4500	-175
	Jodhpur (Loose)	3900	4100	-200
	Bikaner (Delivery)	4200	4200	Unch
	Bikaner (Loose)	4050	4350	-300
	Nokha	4020	4000	20
	Hanumangarh	-	-	-
	Sri-Ganganagar	3950	4000	-50
	Adampur	4270	4300	-30
	Sirsa	4270	4300	-30
	Bhiwani	4250	4450	-200
	Deesa	4080-4085	4065-4070	15
	Nagaur	3950	4000	-50
	Dhabwali	4200	4300	-100
	Jodhpur	12950-13000	13200-13300	-300
Guar Gum	Bhiwani	12500	13200	-700
	Dhabwali	13000	13200	-200

Guar Cumulative Arrivals at Key Spot Markets

Centre	Arrivals in Bags		Change
	Week Ending 19-10-11	Week Ending 13-10-11	
Bikaner	1350	800	550
Nokha	3150	825	2325
Sri-Ganganagar	10850	7500	3350
Adampur	5600	3250	2350
Sirsa	1100	800	300
Bhiwani	4400	3800	600
Deesa	760	975	-215
Nagaur	1700	1170	530
All India	110000	45000	65000

1 Bag=100 Qtls

Guar by – Products Prices:

Commodity	Centre	Price in Rs/Qtl	
		19-10-11	12-10-11
Churi	Jodhpur	667	700
Korma	Jodhpur	820	873

Guar Export Prices:

Commodity	Variety	\$/MT	
		19-10-11	12-10-11
Guargum Split		2900	2950
Guargum Powder	200 Mesh 5000 CPS	3900	3950
	200 Mesh 3500 CPS	3850	3900
Guargum Meal		215	225

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 spot prices trend range bound. Trend remains mixed as prices are below 9-day EMA but above 18-day EMA. According to the trend line drawn, firm support is seen at 3927 and breaching this level would take prices further down to 3300 levels. Firm resistance is at 4570. RSI is moving down the neutral region and favours the bearish momentum in the market. Indicator, MACD is moving down in the positive region and indicates that the bullish momentum is declining.



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

As evident from the weekly chart, guar gum spot prices trend remains mixed as prices are above the 9-day EMA but below the 18-day EMA. According to the trend line drawn, firm support is seen at 12256 and breaching this level would take prices further down to 11000 levels. Firm resistance is at 14675. Oscillator RSI is moving down the neutral region and suggests weak sentiments in the short-term. Indicator, MACD is moving down in the positive region and indicates that the bullish momentum is declining.

Spot Outlook:

Both Guarseed and Guargum prices are expected to trade range bound to weak due to offloading of stocks from stockiest and fresh arrival pressure in the markets. 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 range bound to firm and prices are above the short term EMAs (9 and 18 day) which supports the bullish trend in the market.
- According to the trend line drawn, firm support is seen at 3842. Firm resistance is at 4200.
- Oscillator RSI is moving down the neutral region and suggests weak sentiments in the short-term.

- Indicator, MACD is moving down in the positive region and indicates that the bullish momentum is declining.

GUAR SEED

Guarseed Jodhpu 1111(NCGUAX1)2011/10/16 - Weekly **B:4072.00 A:4073.00**
O 4148.00 H 4176.00 L 3982.00 C 4072.00 V 33,840 I 69,870 -67

EMA(9) 4085.6 (18) 3993.5



Strategy: Sell near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar seed	NCDEX	November	3783	3883	4072	4171	4271

Technical Commentary: (Guargum)

- As evident from the chart, overall guar gum futures prices trend remains mixed as prices are above the 9-day EMA but below the 18-day EMA.
- According to the trend line drawn, firm support is seen at 12267. Firm resistance is at 13600.
- Oscillator RSI is moving down the neutral region and suggests weak sentiments in the short-term.
- Indicator, MACD is moving down in the positive region and indicates that the bullish momentum is declining.

GUAR GUM


Strategy: Sell near resistance.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar gum	NCDEX	November	12275	12612	12950	13240	13531

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