

**Fundamentals:**

Guar prices (Guarseed & Guargum) featured a week tone in all the major markets on Tuesday despite good overseas/export demand as weak tone in futures market (exchanges – NCDEX) extended weakness in cash markets. Also increased supply in the markets further weighed on prices.

To keep a lid on rising prices and to keep a check on speculators NCDEX (National Commodity & Derivatives Exchange) on late Monday (Jan. 16<sup>th</sup>, 2012) has further increased the special margin by 20% (collected in cash) in all the running and yet to be launched contracts of guar gum and guar seed which translate to a total special margin of 60% currently (collected in cash) weighed on prices besides no fresh position (including Intra-day) is allowed for January expiry contract. Only squaring up of the existing contracts is allowed.

However, looking at the demand-supply side of the guar seed long term perspective looks bullish as upto Aug.-Sept. 2012 ending stocks of guar seed may decline by 87% to around 20,000 tonnes compared to previous year which may remain supportive for prices. But export or overseas demand to be watched very carefully as in coming days price movement in cash market would depend mostly on overseas demand besides the sowing progress of Kharif 2012 which seems to be good looking at this year's (2011) prices.

**Outlook:**

Both guarseed and guargum prices are expected to remain range bound with weak bias during the Wednesday's trade.

NCDEX Guarseed Futures (Prices in Rs/Qtl)					
Contract	+/-	Open	High	Low	Close
Jan-12	-415	10701	10805	9974	9974
Feb-12	-421	10544	10861	10123	10123
Mar-12	-426	10994	10994	10247	10247
Apr-12	-15	10708	10800	9981	9981

Volumes and OI in Lots				
Contract	Volume	Change	OI	Change
Jan-12	18340	17280	11550	-15140
Feb-12	77530	76550	73460	-12420
Mar-12	13000	12490	10070	180
Apr-12	2510	2510	2250	470

Spread	Jan-12	Feb-12	Mar-12	Apr-12
Basis	1626			
Jan-12		149	273	7
Feb-12			124	-142
Mar-12				-266

**NB:** Spread was done by taking all paid prices (Rs/Quintal) of Jodhpur markets. Basis=spot-near month futures

NCDEX Stocks	Demat 16.01.12	In-Process 16.01.12	Total 16.01.12
Bikaner	43044	169	43213
Deesa	5819	70	5889
Jodhpur	12116	20	12136
Nokha	5762	0	5762

**Unit in MT**

NCDEX FED Stocks Position as of Jan. 16 <sup>th</sup> , 2011 (Qty in MT)					
	FED	Qty.		FED	Qty.
Bikaner	5-Feb-12	2772	Jodhpur	5-Feb-12	3505
	5-Mar-12	289		5-Mar-12	30
Deesa	5-Feb-12	30	Nokha	5-Feb-12	378
	5-Mar-12	20		5-Mar-12	-

NCDEX Guargum Futures (Prices in Rs/Qtl)					
Contract	+/-	Open	High	Low	Close
Jan-12	-1375	35385	35750	33003	33003
Feb-12	-1396	35954	35954	33510	33510
Mar-12	-1381	35562	35562	33145	33145
Apr-12	-1391	35959	35959	33515	33520

Volumes and OI in Lots				
Contract	Volume	Change	OI	Change
Jan-12	3055	2920	2215	-2680
Feb-12	12890	12860	14450	-4235
Mar-12	1645	1640	1280	335
Apr-12	160	160	175	-50

Spread	Jan-11	Feb-12	Mar-12	Apr-12
Basis	497			
Jan-12		507	142	517
Feb-12			-365	10
Mar-12				375

**NB:** Spread was done by taking prices (Rs/Quintal) of Jodhpur markets. Basis=spot-near month futures

NCDEX Stocks	Demat 16.01.12	In-Process 16.01.12	Total 16.01.12
Bikaner	-	-	-
Jodhpur	13490	284	13774
Nokha	1137	290	1427

**Unit in MT**

NCDEX FED Stocks Position as of Jan. 16 <sup>th</sup> , 2012 (in MT)					
	FED	Qty.		FED	Qty.
Bikaner	5-Feb-12		Jodhpur	5-Feb-12	729
	5-Mar-12			5-Mar-12	1175
Deesa	5-Feb-12		Nokha	5-Feb-12	289
	5-Mar-12			5-Feb-12	120

**Guar Prices at Key Spot Markets**

Commodity	Centre	Prices (Rs/Qtl)		Change
		17-01-2012	16-01-2012	
Guar Seedss	Jodhpur (Delivery)	11600	12000	-400
	Jodhpur (Loose)	9800	11500	-1700
	Bikaner (Loose)	9250	11500	-2250
	Bikaner (Delivery)	9550	11500	-1950
	Nokha (Loose)	9300	10800	800
	Hanumangarh	9900	11400	-1500
	Sri-Ganganagar	10000	11000	-1000
	Adampur	10000	11400	-1400
	Sirsa	10000	11400	-1400
	Bhiwani	10000	11400	-1400
	Deesa	9420	9525	-105
	Nagaur	9700	10500	-800
	Dhabwali	9950	11000	-1050
	Jodhpur	33500	36000	-2500
Guar Gum	Bhiwani	33700	35400	-1700
	Dhabwali	34000	-	-

**Guar Seed Arrivals in Key Centers**

Centre	Arrivals (Quintals)		Change
	17-01-2012	16-01-2012	
Jodhpur	-	-	-
Bikaner	300	700	-400
Nokha	2000	400	1600
Hanumangarh	400	100-200	200
Sri-Ganganagar	3000	1100	1900
Adampur	3000	2000	1000
Sirsa	2000	1500	500
Bhiwani	2500	2000	500
Deesa	220	170	50
Nagaur	200	250	-50
Dhabwali	300	200	100
All India	10000	10000	Unch

**Guar by - Products Prices: As of January 17th, 2012**
**Churi and Korma Prices:**

Commodity	Center	Rs/75kg
Churi	Jodhpur	850
Korma	Jodhpur	1000

**Guar Export Prices: As of January 17th, 2012**

Commodity	Variety	Value (\$/MT)
Guargum Split		6500
Guargum Powder	200 Mesh 5000 CPS	7900
	200 Mesh 3500 CPS	7800
Guargum Meal		300

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