

Highlight of the Month:

- Guar complex surged higher this month supported by firm export demand and shortage expectations of carry-out stocks.
- As per APEDA, India has exported 3.47 lakh MT Guar Gum during 2011 (till October) vs 1.98 lakh MT during same period last year which is continue supporting the sentiment in long run.
- Lower production amid higher demand (domestic & overseas) remains supporting prices to go up.

Current Market Dynamics:

Guar prices continued bullish trend supported by higher millers and exporters demand. Demand remained firm at current market prices. The shortage of stocks of exporters is failure to meet commitments and traders holding stocks as on date are asking for higher prices, which are causing to increase prices rapidly in the spot market.

Guargum demand is continue increasing in U.S for crude oil drilling process which is supporting both Guarseed and Guargum price on a prior basis.

According to trade sources, sowing area under Guar is likely to increase in the coming season amid higher prices. However exact position will be clear in the coming weeks.

NCDEX has revised the tick size of Guargum from Rs. 1.00 to Rs.2.50 which would be applicable from February 23, 2012 in all the existing contracts and to be launched contracts. Besides, NCDEX is not in view to launch August and September month Contract for both Guarseed and Guargum. The below table shows the details of launching contracts:

Contract Launch Month	Contract Expiry Month
January 2012	July 2012
February 2012	No Launch
March 2012	No Launch
April 2012	October 2012
May 2012	November 2012
June 2012	December 2012

Crop Estimates

As per traders view, upcoming sowing area in 2012 is likely to increase approx 50% from the previous year sowing area in all over guar seed growing states as farmers realized higher profit in this year.

According to state agriculture department of Rajasthan has pegged guar production at 12.09 lakh tonnes in 2011-12 lower compared to 14.88 lakh tonnes a year ago. In Haryana, production estimate stood at 3.07 lakh tonnes down from the previous year production i.e.3.60 lakh tonnes and production estimate in Gujarat is estimated at 0.70 lower from previous year.

State	Area	Production	Yield	Area	Production	Yield
	2010-11			2011-12*		
Rajasthan	29.52	14.88	504	30.94	12.09	391
Haryana	3.00	3.60	1305	2.56	3.07	1200
Gujarat	1.40	1.00	714	1.20	0.70	580

Prices of Guar gum Split, Powder and Meal

Commodity	Variety	29 th Feb, 2012	31st Jan, 2012	%Change
Guargum Split		11500	8100	+3400
Guargum Powder	200 Mesh 5000 CPS	13000	9300	+3700
	200 Mesh 3500 CPS	12850	9200	+3650
Guargum Meal		285	270	+15
Prices in \$/MT and FOB Mundra Port				

Prices of Churi and Korma

Commodity	29 th Feb, 2012	31st Jan, 2012	%Change
Churi	850	700	+150
Korma	1100	875	+225
Prices in Rs/75kg			

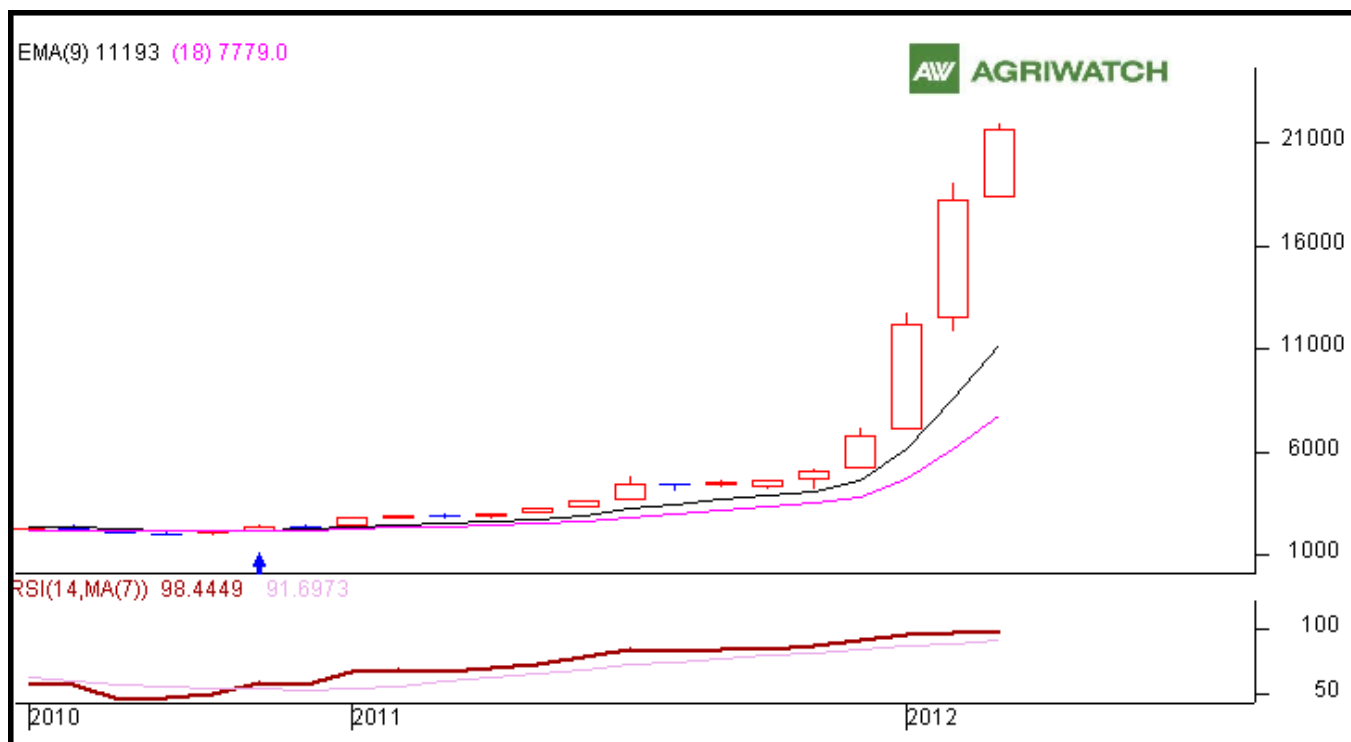
Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		%Change
		31-02-12	31-01-12	
Guar Seed	Jodhpur (Delivery)	20200	13000	+7200
	Jodhpur (Loose)	19200	11500	+7700
	Bikaner	18300	11650	+6650
	Nokha	-	11900	-
	Hanumangarh	18400	12100	+6300
	Sri-Ganganagar	19000	11800	+7200
	Adampur	19000	12200	+6800
	Sirsa	19000	12000	+7000
	Bhiwani	18700	12200	+6500
	Deesa	15650	11150	+4500
	Nagaur	18000	11600	+6400
	Dhabwali	18500	11300	+7200
Guar Gum	Jodhpur	58500	40500	+18000
	Bhiwani	59800	40800	+19000
	Dhabwali	-	39500	-

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		%Change
	Total Month Ending 31-02-2012	Total Month Ending 31-01-2011	
Bikaner	5500	32700	-27200
Nokha	6625	32100	-25475
Sri-Ganganagar	11000	24960	-13960
Adampur	26150	98300	-72150
Bhiwani	20600	83400	-62800
All India	98500	690000	-591500

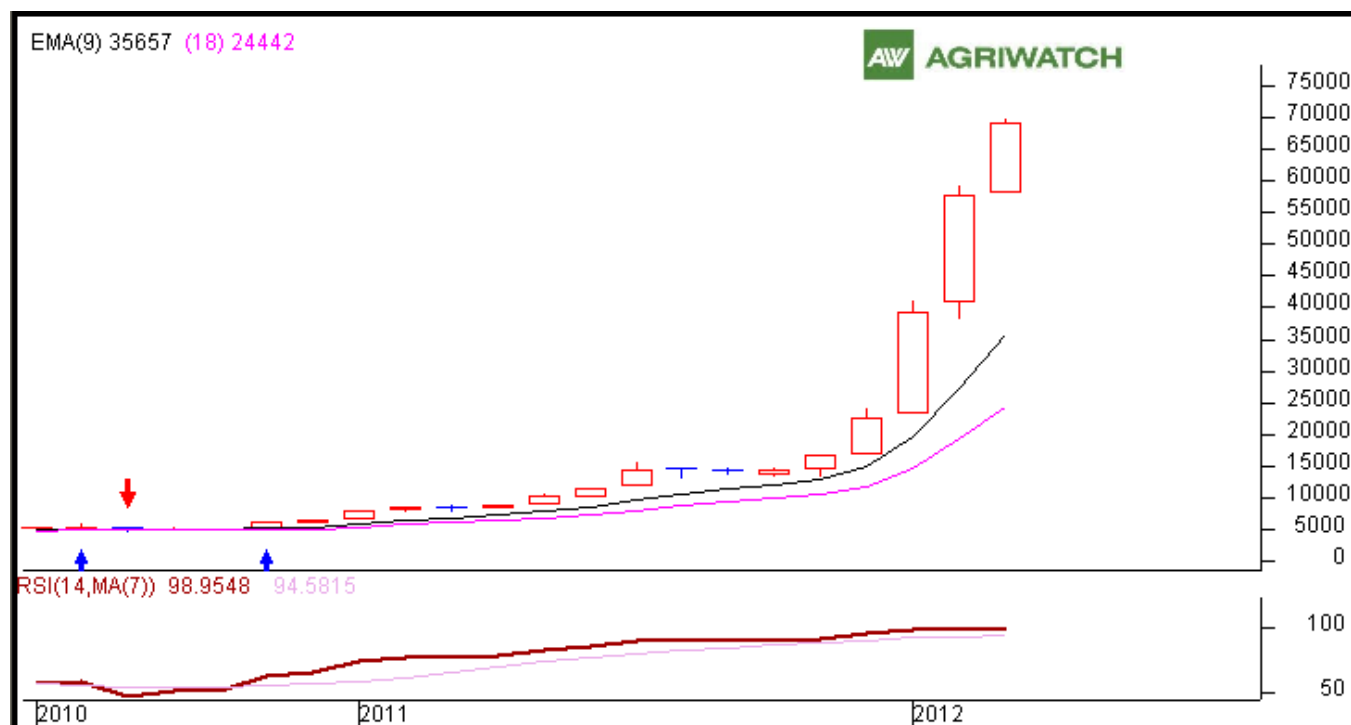
Spot Market Monthly Price Trend of Guar seed at Jodhpur



As evident from the guar seed monthly chart, the trend remains up and intact. Prices are well above the short term EMAs (9 and 18 days) which supports firm market. Prices are moving up into uncharted territory. Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices. Indicator, MACD is moving up in the positive region suggesting increase in bullish sentiments. A monthly close at or above 20000 will continue to send bullish signals and may push prices to new highs. However, a monthly close at or below 15500 will turn the monthly trend down.

In tandem with the increasing guar seed and gum prices, by-products prices also moved during the month supported by firm export demand. The prices are expected to move above 22500 levels and likely to witness 25000 level.

Spot Market Monthly Price Trend of Guar Gum at Jodhpur

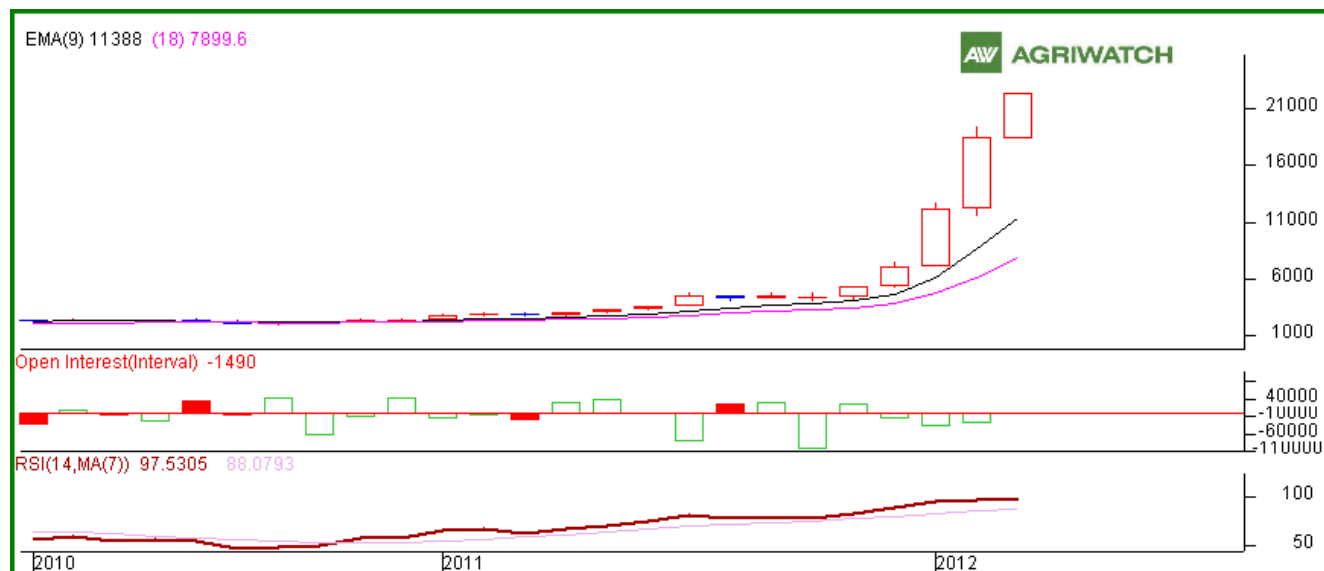


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Futures Market Technical Analysis:

Technical Commentary Guar Seed (NCDEX December Contract):

- As depicts in the chart, overall guar seed prices are moving towards uptrend territory are above the short term EMAs (9 and 18 day) which hints for firm market.
- Oscillator RSI remains in the overbought territory which hints for a possible weakness in prices.
- However, falling open interest and volume against rising price indicates market behavior towards short covering phase as short sellers are covering their position in the market.
- A monthly close in range of 20000-21000 will continue to send bullish signals and may push prices to new highs. However, a monthly close at or below 15500 will turn the monthly trend down.

GUAR SEED


Strategy: Buy near support

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	February	16691	19363	22035	25251	27923

Technical Commentary Guar Gum (NCDEX January Contract):

- Guar gum price represents bullish momentum in above chart and has closed above the short term EMAs (9 and 18 day) which hints firmness in market.
- Prices are moving up into uncharted territory.
- Oscillator RSI remains in the overbought territory and indicates a signal of correction in the market.
- A monthly close near 66000 will continue to send bullish signals and may pulled up prices to new highs. However, a monthly close at or below 52500 will turn the monthly trend down.

GUAR GUM



Strategy: Buy near 65000-66000 Price level

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	February	52909	61124	69340	74260	79181

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