

Domestic Market Recap:

- Guar prices (Guarseed & Guargum) witnessed almost mixed sentiments in the market during the week amid balanced demand supply side.
- Guargum exports increased sharply to 4.03 lakh tonnes against 2.1 lakh tonnes in fiscal year 2009-2010.
- Lowest carryover stocks of guar in the current season supported prices to gain. Carryover stocks stood at 1.5-2 lakh tonnes in the current season.

Current Market Dynamics

Mixed trend has been featured in Guar seed however firmness in Gum prices. Exporters are slowing down their activities due to drastically increase in prices. Subsequently, arrivals are comparatively very slow even at some key market there is no arrivals. Traders said that farmers do not have enough stocks to sell, as of now stockists are bringing their remaining stocks in the market, which may encourage guar prices further. On other hand, sources stated that millers' demand is coming down due to higher price of guar amid disparity, which is directly influencing on the prices resulting range bound trading is running in the current market. Therefore, we can see range bound trading even in week ahead too. However, lower production estimates along with less carry forward stocks will restrict any major fall in guar prices in the long run if export demand will remain increase.

FMC has continuously stepped forward to curb on the volatility of guar price. They taken various measures like imposition of special margin, cut in position limit and revised it according the market volatility. Currently, NCDEX has cut position limit of brokers and clients in Guarseed by 20% and Gum's position limit of brokers by 40%.

Guargum exports registered up by 75.8% to 3.48 lakh tonnes as on Apr to Oct 2011 against 1.98 lakh tonnes recorded in 1.98 lakh tonnes. Robust demand from United States and Europe majorly supported to boost up prices. However, export demand is likely to stable during the week ahead as buyers are waiting for a correction in guar prices in India.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices in Rs/Qtl		Change
		04-02-12	28-01-12	
Guar Seed				
	Jodhpur (Delivery)	11500	12200	-700
	Jodhpur (Loose)	11300	11200	100
	Bikaner (Delivery)	12600	11700	900
	Bikaner (Loose)	12300	11500	800
	Nokha	12000	11300	700
	Hanumangarh	12100	11500	600
	Sri-Ganganagar	12000	11000	1000
	Adampur	12600	11700	900
	Sirsa	12500	11200	1300
	Bhiwani	12700	12000	700
	Deesa	11340	9965	1375
	Nagaur	11500	11700	-200
	Dhabwali	11300	11500	-200
Guar Gum	Jodhpur	40500	38800	1700
	Bhiwani	41400	40600	800
	Dhabwali	40000	39600	400

Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		04-02-12	28-01-12
Churi	Jodhpur	715	675
Korma	Jodhpur	880	875

Guar Export Prices:

Commodity	Variety	\$/MT	
		04-02-12	28-01-12
Guargum Split		8400	7900
Guargum Powder	200 Mesh 5000 CPS	9650	9200
	200 Mesh 3500 CPS	9500	9100
Guargum Meal		270	300

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	Week Ending 04-02-12	Week Ending 28-01-2012	
Jodhpur	-	-	-
Bikaner	3500	3000	500
Nokha	2900	3700	-800
Hanumangarh	1050	1350	-300
Sri-Ganganagar	1260	1800	-540
Adampur	6800	10500	-3700
Sirsa	2500	2600	-100
Bhiwani	4700	7100	-2400
Deesa	1170	1040	130
Nagaur	340	500	-160
Dhabwali	500	500	Unch
All India	46000	43000	3000

Spot Market Technical Analysis of Guar seed & Guar gum



Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur) Technical Analysis

As evident from the chart, price trend is marginally towards upward. However, Prices have closed above 9 & 18-day EMAs supporting the bullish sentiments in the market. RSI is moving down hints towards bearish trend. Close above the weekly level at 11920 may continue to support the bullish signal in the market, but a close below the 11000 level may change the weekly trend down. Prices in the coming week may trade in range from 11300-12800.



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

The candlestick Chart denotes sellers' interest in the market. However, Prices have closed above 9 & 18-day EMAs supporting the bullish sentiments in the market in the long run. RSI is moving down in oversold region and hints at profit booking. Close above the weekly level at above 38300 may continue to support the bullish signal in the market, but a close below the 37400 level may change the weekly trend down. Prices in the coming week may trade in range from 37600-38800.

Spot Outlook:

We expect market may trade in range bound during this week ahead in Guar complex in expectation of lower export and millers demand. In the current scenario, millers and exporters buying activities is very slow which is influencing spot price of both Guarseed and Guargum. Even, the range bound outlook will remain during upcoming week also.

Exchange Technical (NCDEX):

Technical Commentary: (Guarseed)

- The chart reflects bearish trend in the market during the week and further signals towards downtrend.
- Prices are above EMA (9 and 18 day) which supports the bullish trend in the market in the long run.
- Oscillator, RSI is moving down in the overbought region indicates towards a correction in the market.
- Close above the weekly level at 11900 may continue to support the bullish signal in the market, but a close below at 11000 the level may change the weekly trend down.
- Prices in the coming week may trade in range from 11300-12800.

GUAR SEED



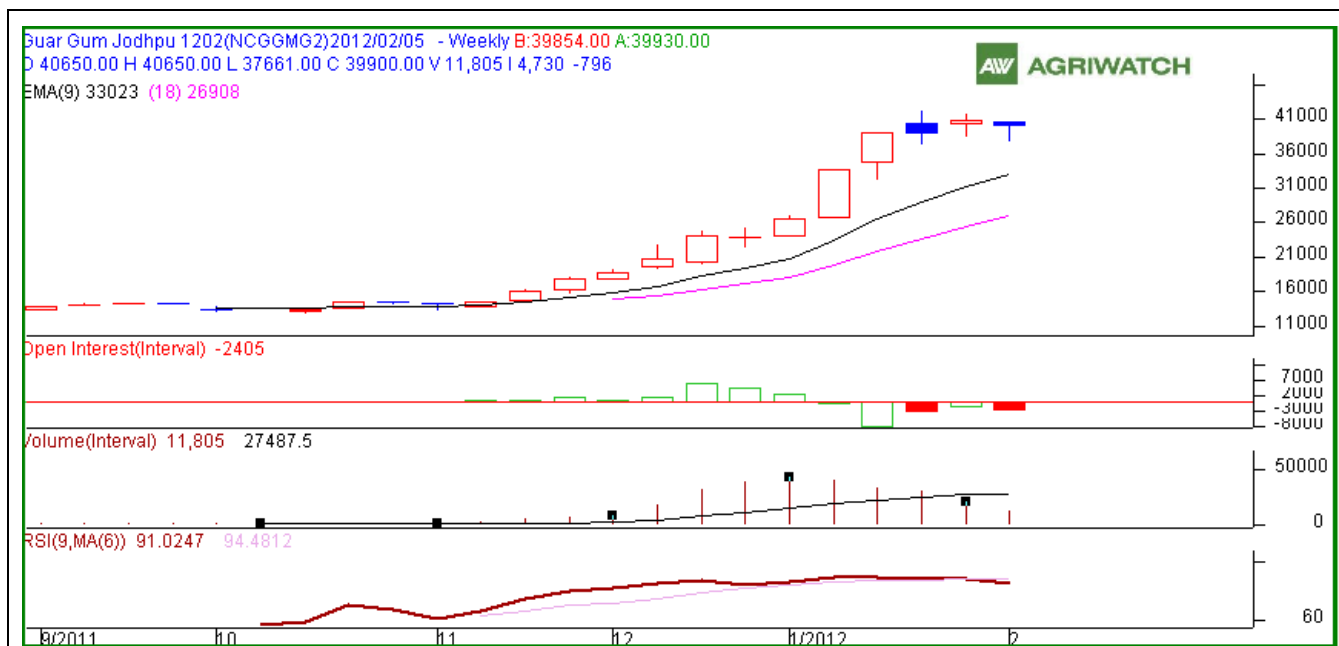
Strategy: Sell at mentioned resistance and book profits and mentioned support level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar seed	NCDEX	February	11186	11778	12370	12756	13142

Technical Commentary: (Guargum)

- The chart signals bearish trend in the market during the upcoming week.
- However, Prices are above EMA (9 and 18 day) which supports the bullish trend in the market in the long run.
- Oscillator, RSI is moving marginally down in the overbought region indicates towards a correction in the market.
- Close above the weekly level at 38050 may continue to support the bullish signal in the market, but a close below the 36300 level may change the weekly trend down.
- Prices in the coming week may trade in range from 38500-41000

GUAR GUM



Strategy: Sell at mentioned resistance and book profits and mentioned support.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar gum	NCDEX	February	36447	38223	39999	41212	42424

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