

Domestic Market Recap:

- Cash market continued to move higher on higher demand from exporters and low carry-over of stocks.
- Demand from overseas oil industries for guar gum and powder remains persistent.
- Due to estimated lower guar seed output at around 14 – 14.5 lakh tonnes compared to previous years 18.5-19 lakh tonnes also supports the current market sentiment.
- NCDEX has postponed launching August month contract right now.

Current Market Dynamics

Markets continued its bullish run into the 4th week of trade supported by good export demand and lower production. Market sources said that buyers in overseas markets continue to require gum and powder for their daily consumption, mainly in oil drilling process, even at these elevated prices. Traders added that markets could continue to see higher levels on firm demand from gum makers, millers and stockiest. Demand remained good and supported guar prices to surge within short period of time. Arrivals in the market are coming sharply down due to limited stocks. As of now, farmers do not have much stock and stockists are holding comparatively limited stocks for delivery. Prices are likely to further increase from the current level on account of lower production and low carry forward stocks against higher gum and powder demand.

India meets about 80 percent of world demand for guar, which is widely used in foods to thicken or add dietary fiber and has industrial uses such as in drilling for shale gas as well as in the making of paper and textiles

During this week, NCDEX refrained from launching the August month contracts for Guar Seed and Gum futures. Resultantly, Open interest and volume got affected and fell compared to previous week in the futures market. FMC said that delayed August contract would likely affect the extremely bullish market sentiments and possibly price may come down.

Export and Import Scenario

As per sources, both Gum and Powder demand continues to rise in overseas market. Major buyers like China and U.S continue to stand in the queue of buyers in the market to fulfill their daily requirement, mainly for industrial use. As per APEDA, Guargum exports registered an increase of 75.8% to 3.48 lakh tonnes during Apr-Oct 2011 against 1.98 lakh tonnes recorded the same period of the previous year.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices in Rs/Qtl		Change
		27-02-12	21-02-12	change
Guar Seed	Jodhpur (Delivery)	18900	16200	2700
	Jodhpur (Loose)	17300	15200	2100
	Bikaner (Delivery)	18500	15300	3200
	Bikaner (Loose)	18000	14800	3200
	Nokha	18130	15200	2930
	Hanumangarh	-	-	-
	Sri-Ganganagar	18000	15000	3000
	Adampur	-	15400	-
	Sirsa	-	15600	-
	Bhiwani	18000	15500	2500
	Deesa	15500	13800	1700
	Nagaur	17000	14500	2500
	Dhabwali	-	14900	-
	Jodhpur	57500	50000	7500
	Bhiwani	55500	49600	5900
Guar Gum	Dhabwali	-	50000	-

Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		27-02-12	21-02-12
Churi	Jodhpur	850	750
Korma	Jodhpur	1100	1000

Guar Export Prices:

Commodity	Variety	\$/MT	
		27-02-12	21-02-12
Guargum Split		11500	10100
Guargum Powder	200 Mesh 5000 CPS	13000	11300
	200 Mesh 3500 CPS	12850	11200
Guargum Meal		285	285

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	Week Ending 27-02-12	Week Ending 21-02-12	
Jodhpur	-	-	-
Bikaner	750	1775	-1025
Nokha	3000	2500	500
Hanumangarh	240	NA	-

Sri-Ganganagar	4200	2250	1950
Adampur	415	9850	-9435
Sirsa	1700	1850	-150
Bhiwani	4000	18550	-14550
Deesa	415	840	-425
Nagaur	NA	125	-
Dhabwali	200	330	-130
All India	14000	38070	-24070

Spot Market Technical Analysis of Guar seed & Guar gum

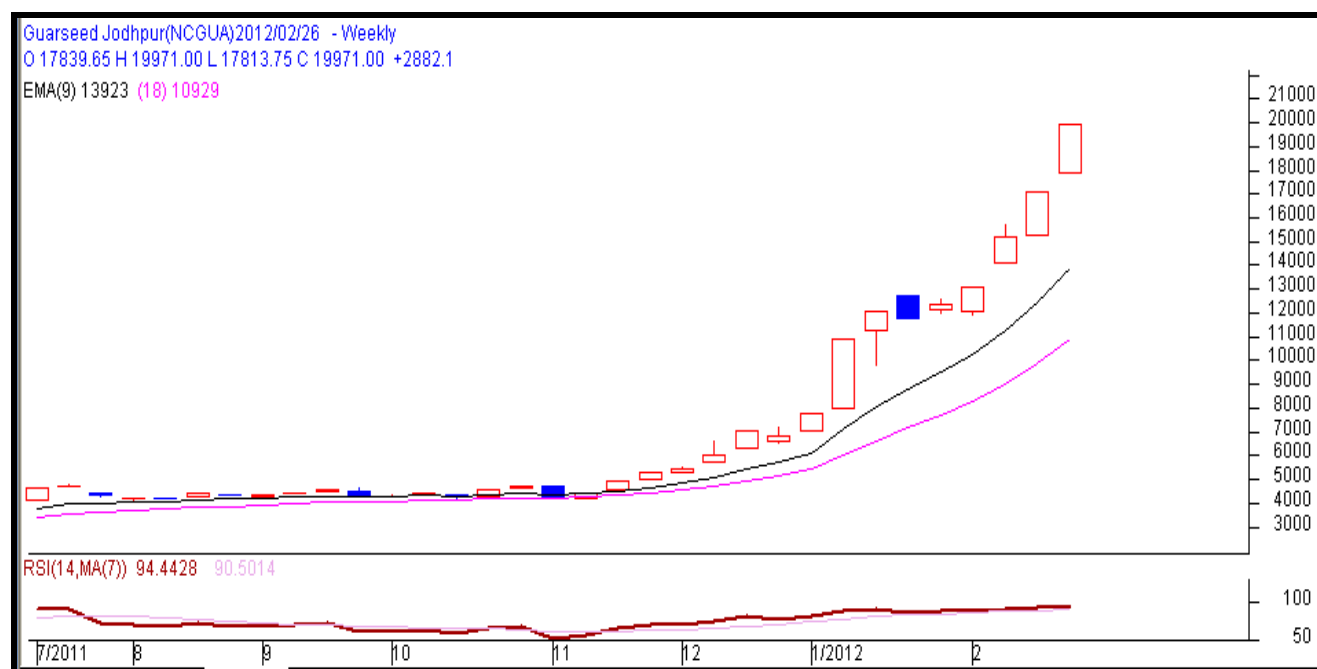


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

As evident from the chart, price trend is moving up from the level of previous week. The RSI remains well in the overbought region and might indicate a possible correction in the market if it falls from the overbought zone. However, above 9 and 18 days EMA indicating bullish momentum in the market. Immediate resistance level is 20690 and support level is 18532. We expect price may trade in range of 18700-19800 during upcoming week. However, the price level below 17000 may change the weekly trend down.

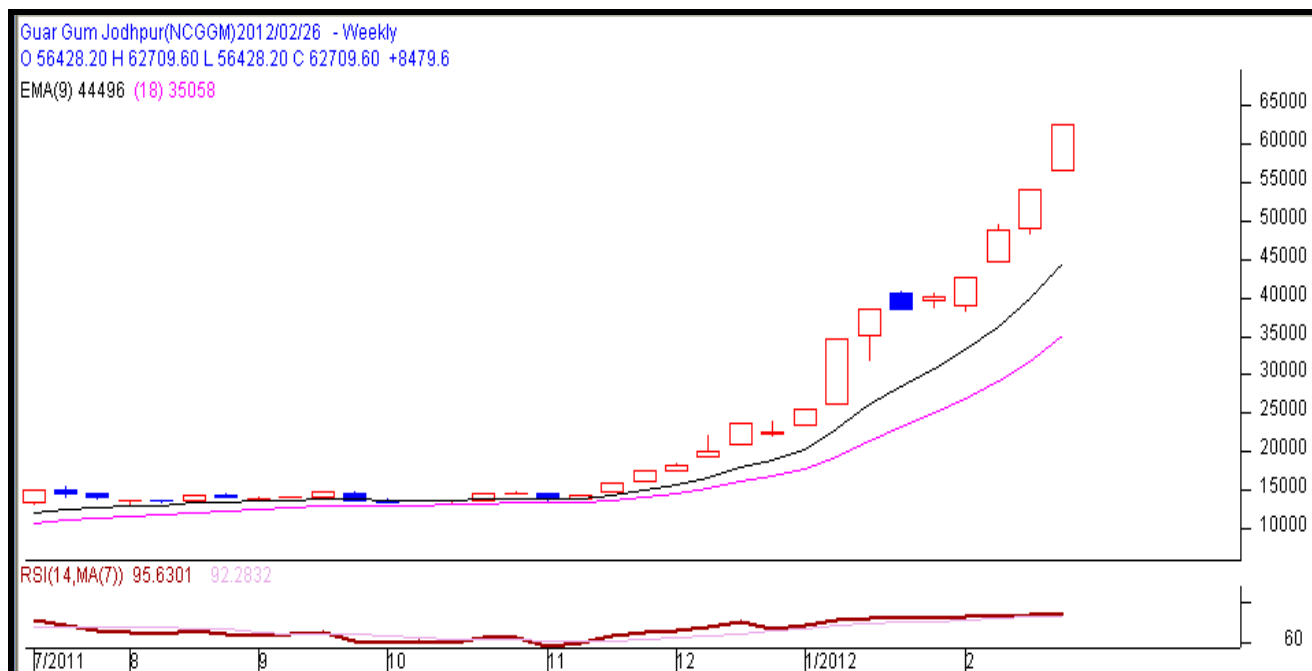


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

Above Chart shows upside price movement of Gum in the spot market. Close above the weekly level at 58000 will continue support buying opportunity in the market however below 54000 price level may change the weekly uptrend. RSI is moving up in overbought region and might indicate a possible correction in the market if it falls from the overbought zone. We expect price may trade in between 59000-63000 during upcoming week.

Spot Outlook:

Both Guarseed and Guargum prices are expected to trade range bound to firm on firm demand and lower fresh arrival anticipation.

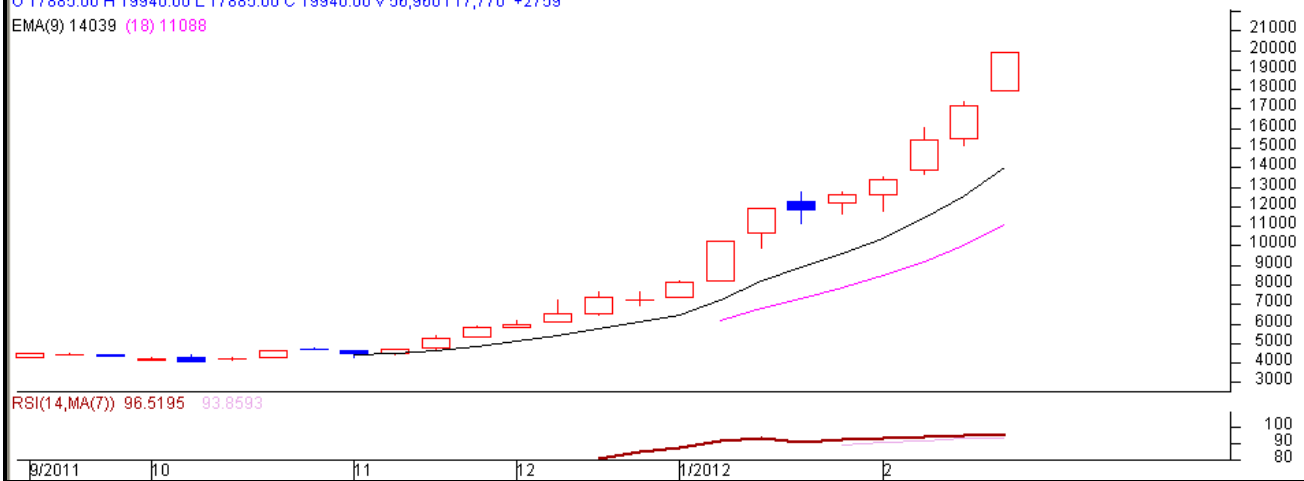
Exchange Technical (NCDEX-Guarseed and Guargum):

Technical Commentary: (Guarseed)

- The chart reflects bullish momentum during the week and further signals towards uptrend.
- Prices are above EMA (9 and 18 day) which supports the bullish trend in the market.
- The RSI remains well in the overbought region and might indicate a possible correction in the market if it falls from the overbought zone.
- Close above 17500 may continue to support the bullish signal in the market, but a close below 14000 level may change the weekly trend down.
- Prices in the coming week may trade in range from 17500-19000

GUAR SEED

Guar seed Jodhpur 1203(NCGUAH2)2012/02/26 - Weekly B:19940.00
 O 17885.00 H 19940.00 L 17885.00 C 19940.00 V 56,960 I 17,770 +2759
 EMA(9) 14039 (18) 11088



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

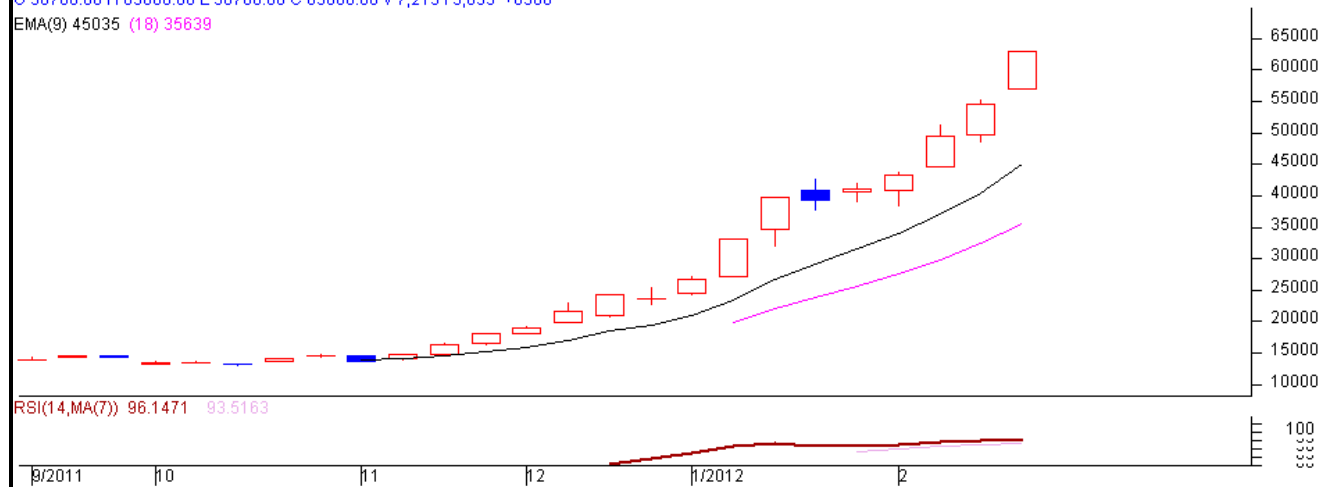
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar seed	NCDEX	February	17200	18570	19940	20625	21310

Technical Commentary: (Guargum)

- The chart shows upward momentum in the market during this week.
- Prices are above EMA (9 and 18 day) indicating further bullish trend in the market.
- Oscillator, RSI remains well in the overbought region and might indicate a possible change in price direction if it falls from the overbought region.
- Close above the level of 60000 will continue to support the bullish signal in the market, but a close below the 45000 level may change the weekly trend down.
- Prices in the coming week may trade in range from 55000-62000.

GUAR GUM

Guar Gum Jodhpur 1203(NCGGMH2)2012/02/26 - Weekly B:63086.00
 O 56700.00 H 63086.00 L 56700.00 C 63086.00 V 7,215 I 3,835 +8580
 EMA(9) 45035 (18) 35639



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

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar gum	NCDEX	February	54571	58828	63086	65214	66000

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