

Domestic Market Recap:

- Prices continued to remain firm amid buying interest around current levels and lower stocks.
- However buying interest is thin amid lack of fresh buyers in the markets.
- Sellers are reluctant to lower their offers amid negligible stocks in the spot market.
- Lower output of around 14 – 14.5 lakh tonnes compared to previous years 18.5-19 lakh tonnes is supporting the market.
- Major players are holding some stocks to meet export requirement.

Current Market Dynamics

Markets started the week with positive note and continued the same during the week with prices recording new highs. According to trade sources there are no fresh buyers at current levels in the market. Millers are crushing to fulfill prior commitment. Sellers are reluctant to lower their offers amid consistent export demand from US and China. Fresh arrivals are limited in the spot market. Farmers are likely to sow guar in the coming weeks after the harvesting of mustard seed is over. Guar is a small crop of nearly two months and is harvested before guar seed is shown. Demand for seed for sowing purpose will also add to the bullish tone of the market. Slight correction is expected within the overall positive scenario of the market.

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

NCDEX has 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 |
|-----------|--------------------|------------------|----------|--------|
| | | 03-03-12 | 25-02-12 | change |
| Guar Seed | Jodhpur (Delivery) | 20500 | 18000 | +2500 |
| | Jodhpur (Loose) | 22200 | 16500 | +5700 |
| | Bikaner (Delivery) | 22000 | 17300 | +4700 |
| | Bikaner (Loose) | 21400 | 16850 | +4550 |
| | Nokha | 20200 | 16500 | +3700 |
| | Hanumangarh | 21600 | 19600 | +2000 |
| | Sri-Ganganagar | 21000 | 17000 | +4000 |
| | Adampur | 22000 | 18000 | +4000 |
| | Sirsa | 22000 | 18000 | +4000 |
| | Bhiwani | 22000 | 18000 | +4000 |
| | Deesa | 17950 | 14270 | +3680 |
| | Nagaur | 20000 | - | - |
| | Dhabwali | 21000 | 18400 | +2600 |
| Guar Gum | Jodhpur | 68300 | 55200 | +13100 |
| | Bhiwani | 68500 | 55500 | +13000 |
| | Dhabwali | 70000 | - | - |

Guar by – Products Prices:

| Commodity | Centre | Price in Rs/75Kg | |
|-----------|---------|------------------|----------|
| | | 03-03-12 | 25-02-12 |
| Churi | Jodhpur | 850 | 800 |
| Korma | Jodhpur | 1125 | 1000 |

Guar Export Prices:

| Commodity | Variety | \$/MT | |
|----------------|-------------------|----------|----------|
| | | 03-03-12 | 25-02-12 |
| Guargum Split | | 14000 | 11000 |
| Guargum Powder | 200 Mesh 5000 CPS | 15000 | 12500 |
| | 200 Mesh 3500 CPS | 14850 | 12300 |
| Guargum Meal | | 285 | 285 |

Guar Cumulative Arrivals in Key Centers

| Centre | Arrivals (Quintals) | | Change |
|----------------|----------------------|----------------------|--------|
| | Week Ending 03-03-12 | Week Ending 25-02-12 | |
| Jodhpur | 7000 | 10000 | -3000 |
| Bikaner | 600 | 900 | -300 |
| Nokha | 650 | 3000 | -2350 |
| Hanumangarh | 75 | 200 | -125 |
| Sri-Ganganagar | 4800 | 6900 | -2100 |
| Adampur | 4800 | 5400 | -600 |
| Sirsa | - | 2100 | - |

| | | | |
|------------------|-------|-------|---------------|
| Bhiwani | 1900 | 5300 | -3400 |
| Deesa | 275 | 430 | -155 |
| Nagaur | 10 | 40 | -30 |
| Dhabwali | 300 | 110 | +190 |
| All India | 20410 | 34380 | -13970 |

Spot Market Technical Analysis of Guar seed & Guar gum

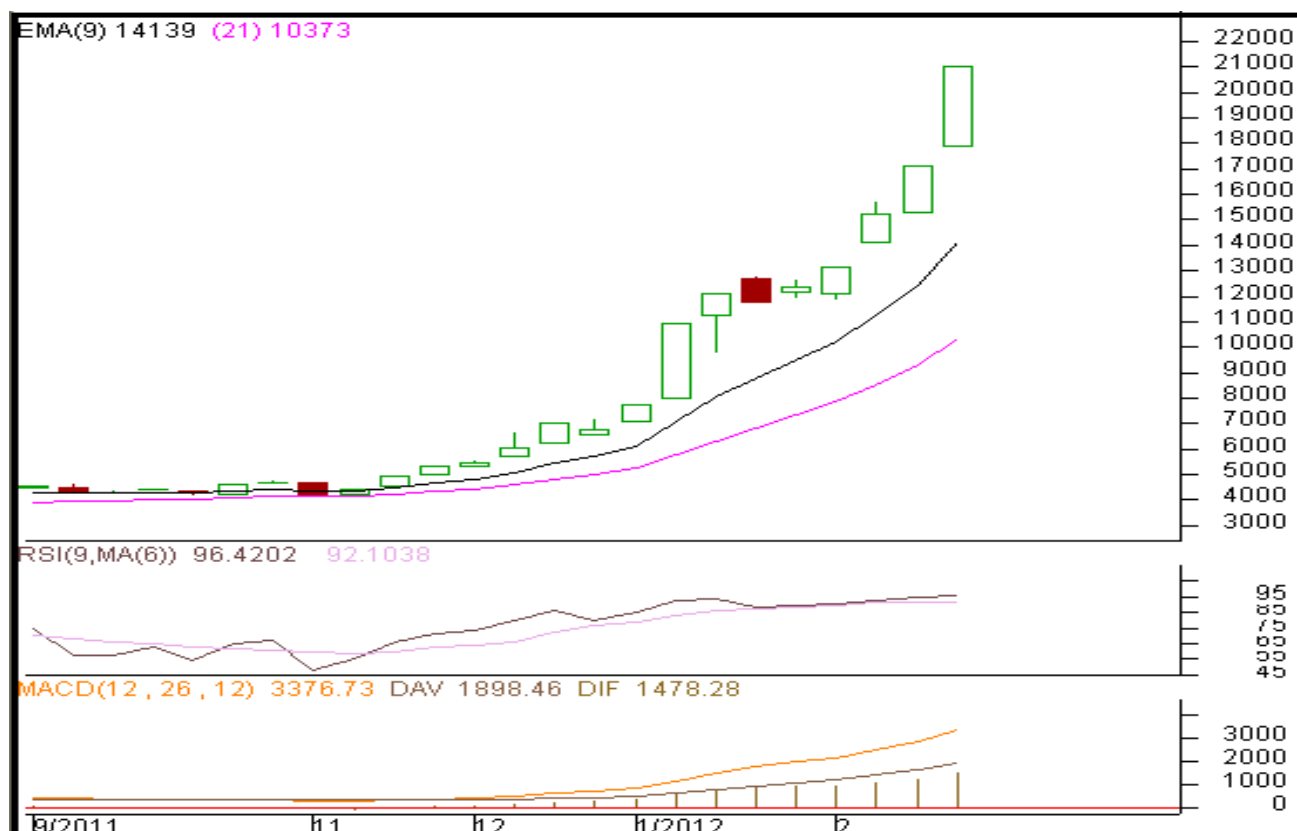


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

Prices recorded new highs during the week continuing the bullish tone. Prices are trading above 9-Day and 21-Day EMA supporting the positive tone of the market. Stochastic oscillator is in the overbought region denoting impending correction in near –term. Immediate resistance level is at 23000 and support level is at 21580. Prices are likely to trade in the range of 21500-23000 levels during the week. Though overall outlook remains bullish, traders are advised to be cautious following overbought nature of the market.



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

Prices have broken above the uptrend channel denoting bullish momentum in near –term. RSI and stochastic oscillator are in the overbought region suggesting correction in near –term. However before any correction prices are likely to test the resistance of 70000 levels in the coming days. Traders are advised to buy with caution.

Spot Market Outlook:

Both Guar seed and Guar gum prices are likely to record further highs before witnessing correction on limited availability in the spot market.

Exchange Technical (NCDEX-Guar seed and Guar gum):

Technical Commentary: (Guar seed)

- The candlestick pattern shows continuation of buying interest in the market.
- However traders are advised to be cautious as market is overbought amid low volumes.
- Prices are ruling above the 9-day EMA supporting the positive tone of the market.
- RSI is in the overbought region denoting likely correction in near –term.
- Market is expected to test Rs.23000 levels in near -term.

GUAR SEED



Strategy: Traders can buy around current levels with caution.

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Guar seed | NCDEX | March | 19750 | 20738 | 21568 | 23000 | 23500 |

Technical Commentary: (Guar gum)

- Candlestick chart depicts buying interest in the market.
- Thin volumes around current levels suggest likely correction in near –term.
- MACD denotes the bullish tone of the market is intact.
- RSI is in the overbought region suggesting caution for the bulls.
- Prices are likely to face some resistance around Rs.70000 levels before continuing the uptrend.

GUAR GUM



Strategy: Buy at current levels and book profits at mentioned resistance.

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Guar gum | NCDEX | March | 63310 | 65610 | 68236 | 70000 | 71500 |

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