

Domestic Market Recap:

- Prices recorded new highs during the week except slight weakness in Hanumangarh market. Towards the weekend, profit booking was witnessed in the market.
- However trading activities remained lack-luster around higher levels following festival of 'Holi'.
- Arrivals have slowed down in major trading centers.
- Lower output and regular export demand added to the firm tone of the market.
- NCDEX has made some modifications in the contract to reduce speculation in the market.
- Traders are taking actual delivery of the contracts. This will weigh on prices in near-term. Overall scenario remains positive with minor correction in between.

Current Market Dynamics

Markets noticed further gains and continued the firm tone. Slight profit booking was witnessed during the week. Traders are taking actual delivery of the contracts and this will weigh on prices in near-term. However the overall bullish scenario is intact amid lower stocks and good export demand in the market. Farmers will begin planting guar in the coming days, a short crop planted before sowing of guar. Due to better price realization, acreage under guar seed is likely to increase in the coming season. In this season, guar is likely to be sown in Andhra Pradesh and Maharashtra, also. However exact position will be clear in the coming weeks. The demand for guar gum from the petroleum refining industry is increasing. NCDEX has been taking steps to regulate prices.

According to industry sources, the recent surge in horizontal drilling technology in the oil industry in the US has increased the demand for guar gum in the market significantly. There is no replacement for guar gum in hydraulic fracturing sector currently, as such the demand for guar is set to increase further.

NCDEX has made some modifications in guar seed and guar gum futures. The unit of trade and delivery has been reduced to 1MT from existing 10MT and 5MT for guar seed and guar gum respectively. The move is towards reducing speculation in the market.

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 queue to fulfill their daily requirement, mainly for industrial use. As per APEDA, Guar gum 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 |
|-----------|--------------------|------------------|----------|--------|
| Guar Seed | | 10-03-12 | 03-03-12 | change |
| | Jodhpur (Delivery) | 23000 | 20500 | +2500 |
| | Jodhpur (Loose) | 20500 | 22200 | -1700 |
| | Bikaner (Delivery) | - | 22000 | - |
| | Bikaner (Loose) | - | 21400 | - |
| | Nokha | - | 20200 | - |
| | Hanumangarh | 21000 | 21600 | -600 |
| | Sri-Ganganagar | 21700 | 21000 | +700 |
| | Adampur | - | 22000 | - |
| | Sirsa | - | 22000 | - |
| | Bhiwani | 22000 | 22000 | Unch |
| | Deesa | 19985 | 17950 | +2035 |
| | Nagaur | 22500 | 20000 | +500 |
| | Dhabwali | - | 21000 | - |
| Guar Gum | Jodhpur | 70000 | 68300 | +1700 |
| | Bhiwani | 79000 | 68500 | +10500 |
| | Dhabwali | - | 70000 | - |

Guar by – Products Prices:

| Commodity | Centre | Price in Rs/75Kg | |
|-----------|---------|------------------|----------|
| | | 10-03-12 | 03-03-12 |
| Churi | Jodhpur | 850 | 850 |
| Korma | Jodhpur | 1125 | 1125 |

Guar Export Prices:

| Commodity | Variety | \$/MT | |
|----------------|-------------------|----------|----------|
| | | 10-03-12 | 03-03-12 |
| Guargum Split | | 14300 | 14000 |
| Guargum Powder | 200 Mesh 5000 CPS | 15500 | 15000 |
| | 200 Mesh 3500 CPS | 15400 | 14850 |
| Guargum Meal | | 290 | 285 |

Guar Cumulative Arrivals in Key Centers

| Centre | Arrivals (Quintals) | | Change |
|----------------|----------------------|----------------------|--------|
| | Week Ending 10-03-12 | Week Ending 03-03-12 | |
| Jodhpur | 4000 | 7000 | -3000 |
| Bikaner | 400 | 600 | -200 |
| Nokha | 65 | 650 | -645 |
| Hanumangarh | 130 | 250 | -120 |
| Sri-Ganganagar | 1800 | 4800 | -3000 |

| | | | |
|-----------|-------|-------|-------|
| Adampur | 4500 | 4800 | -300 |
| Sirsa | - | - | - |
| Bhiwani | 550 | 1900 | -1350 |
| Deesa | 330 | 275 | +55 |
| Nagaur | 12 | 10 | +2 |
| Dhabwali | - | 300 | - |
| All India | 11787 | 20585 | -8798 |

Spot Market Technical Analysis of Guar seed & Guar gum



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

Prices witnessed lack-luster trading and recorded new highs during the week. However lower volumes and open interest denote that correction is expected in the near –term. Prices are facing resistance around 22000 levels and are likely see correction before continuing the uptrend. Stochastic oscillator is declining in the overbought territory supporting weakness in near –term. Prices are likely to trade in the range of 19500-22500 levels during the week. Traders are advised to sell on rise towards resistance levels.

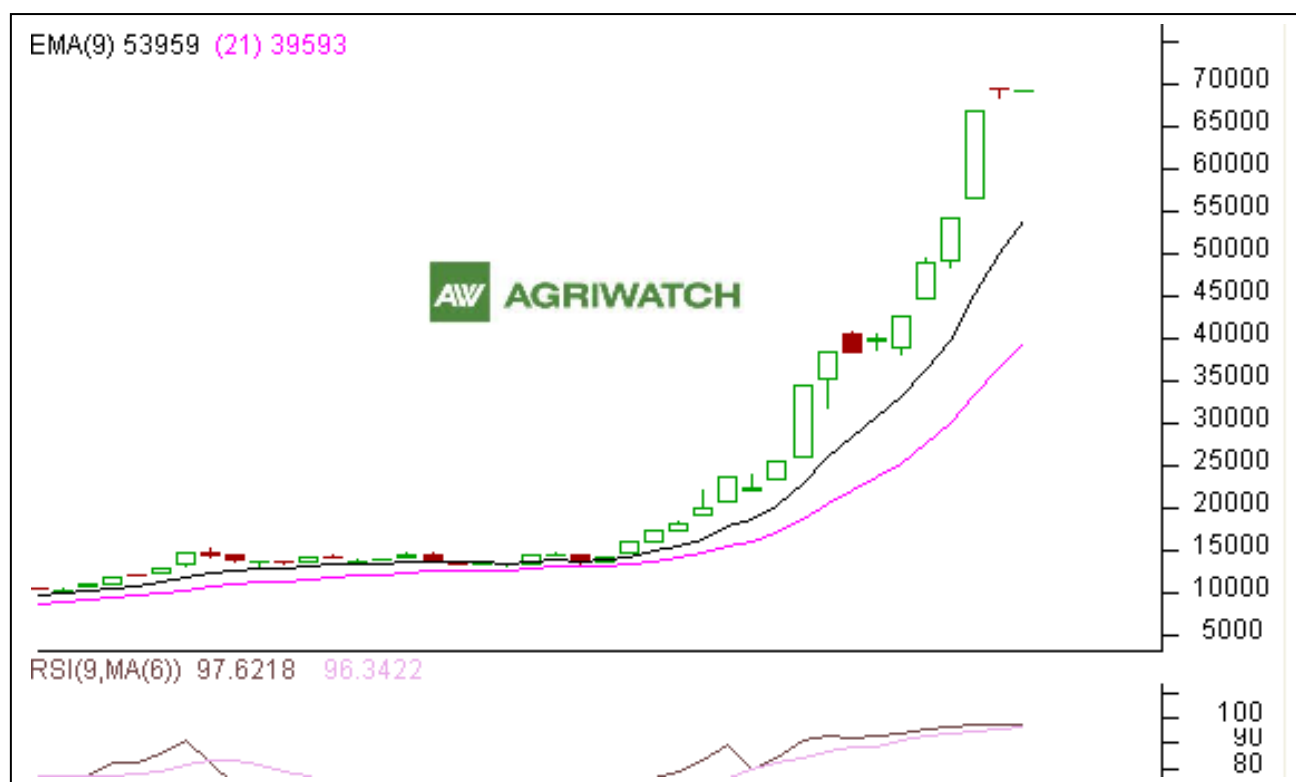


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

Prices witnessed slight profit –booking during the week. Market is overbought and is likely to notice weakness in the near –term. Prices are trading above 9-Day and 21-Day EMA supportive to the overall positive tone of the market. RSI is steady in the overbought region supporting correction in near –term. Prices are facing resistance around 70000 levels and are likely to trade in the range of 68500-72500 during the week.

Spot Market Outlook:

Both Guar seed and Guar gum prices are likely to witness correction in near –term.

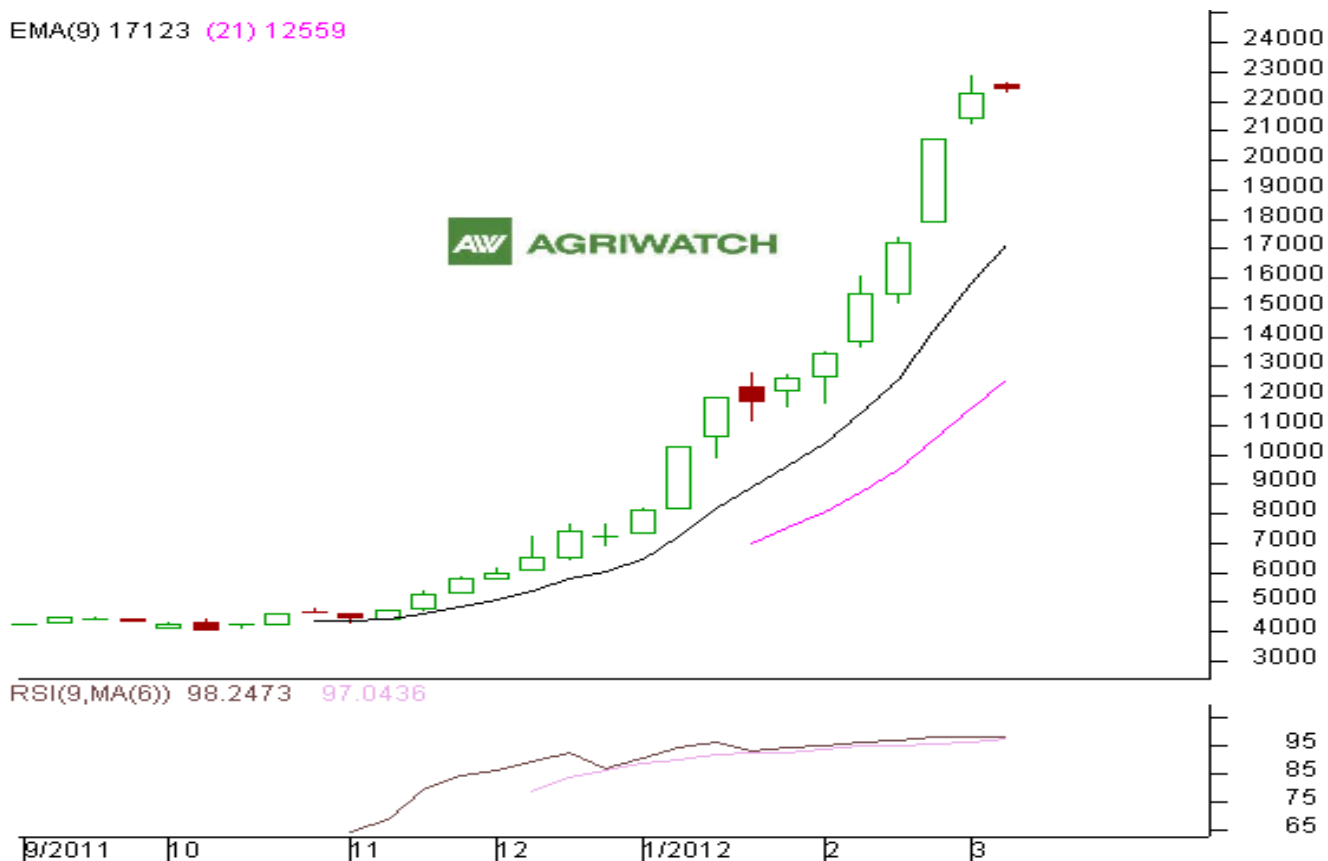
Exchange Technical (NCDEX-Guar seed and Guar gum):

Technical Commentary: (Guar seed)

- The candlestick pattern shows profit-booking at higher levels.
- Market is overbought and slight correction is expected in near –term.
- Prices are ruling above the 9-day and 21-Day EMA supporting the overall firm tone of the market.
- Stochastics oscillator is increasing in the overbought region denoting likely correction in near –term.
- Market is likely to trade sideways to lower in near -term.

GUAR SEED

EMA(9) 17123 (21) 12559



Strategy: Sell on rise.

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Guar seed | NCDEX | March | 19750 | 20738 | 22390 | 24500 | 25000 |

Technical Commentary: (Guar gum)

- Candlestick chart depicts slight selling interest in the market.
- Lower volumes and open interest denote that correction is expected in near -term.
- Stochastic oscillator denotes that market is in overbought territory.
- Prices are likely to face resistance around current higher levels.
- Prices are likely to witness profit-booking in near -term.

GUAR GUM

EMA(9) 54463 (21) 40133



Strategy: Sell on rise.

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Guar gum | NCDEX | March | 65610 | 68100 | 70550 | 73000 | 73500 |

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