

Domestic Market Recap:

- Guar seed and guar gum prices continued the bullish tone during the week.
- Lack of availability in the ready market is supporting price.
- Firm tone in the futures market influenced spot markets accordingly.
- According to trade sources, millers do not have sufficient stocks to meet export demand.
- Sowing of guar will start in the coming weeks. Acreage under guar seed is likely to increase by more than 50% in the major growing states following good returns during the season.
- Once sowing starts, prices are likely to ease amid expectation of higher acreage in the coming season.

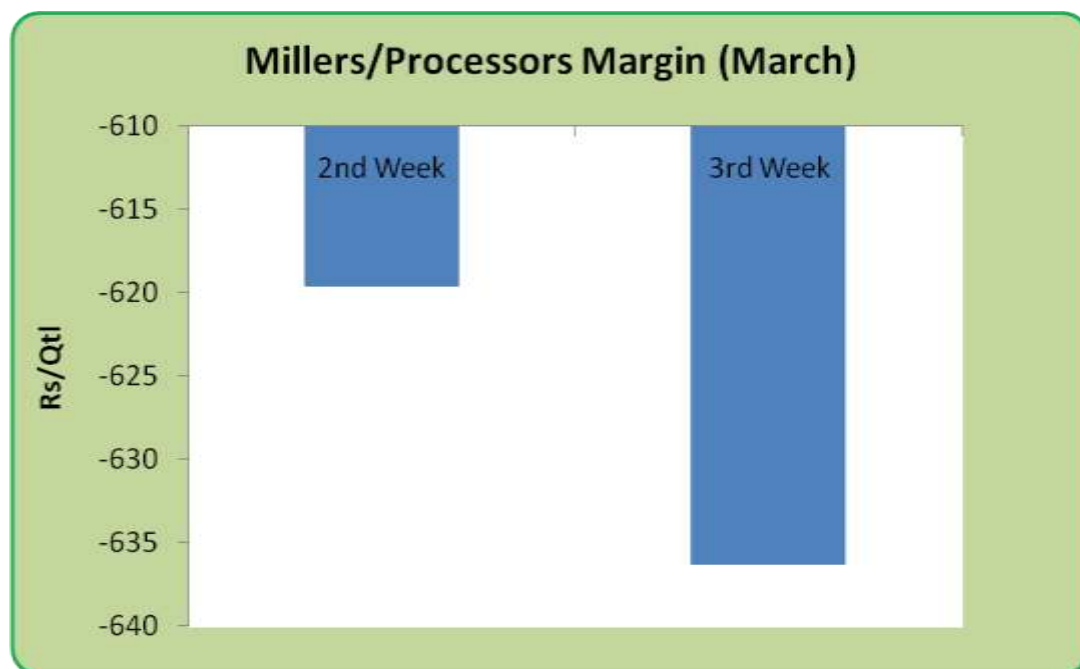
Current Market Dynamics

Firm tone continued in guar seed and guar gum markets. Prices recorded new high during the week. Lower volumes and open interest denote that buying activities remained lack-luster around current levels. Arrivals have declined in the key market centers. Millers are not able to meet export demand amid lack of availability in the spot market. Temperatures have increased in parts of Rajasthan and planting of guar will start in the next few days, as a particular temperature is required for sowing of guar. Limited stocks are there with some major players. Sellers are exiting from the market amid decline in open interest and are reluctant to quote at lower levels following good demand in the domestic and international market. Prices are likely to be firm in near-term until sowing of guar starts in the coming weeks. This will give further direction to the market.

NCDEX had not launched August and September contracts for guar seed and guar gum respectively to reduce speculation in the market. It will launch the October contract next month and thereafter prices are likely to ease to certain extent.

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.

Millers/Processors Margin


As seen in the chart above, crushing margin for guar seed millers has declined over previous week. In the second week of March, margin stood at Rs.-619.62/Quintal and it declined to Rs.-636.31/Quintal. Margin continued to decline further amid higher cost of the raw materials. Due to lack of availability, prices of raw materials –guar seed increased along with processing cost. Returns are less thereby reducing margins. According to trade sources, millers are crushing to meet prior export demand and anticipation of better returns in the coming days. Churi and Korma prices could increase to Rs.875 per 75 kg. and Rs.1175 per 75 kg. Prices of raw materials will increase till sowing of guar starts in the coming weeks and margins will decline further in near –term.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices in Rs/Qtl		Change
		17-03-12	10-03-12	change
Guar Seed	Jodhpur (Delivery)	27500	23000	+4500
	Jodhpur (Loose)	25000	20500	+4500
	Bikaner (Delivery)	25500	-	-
	Bikaner (Loose)	25600	-	-
	Nokha	25500	-	-
	Hanumangarh	-	21000	-
	Sri-Ganganagar	27000	21700	+5300
	Adampur	-	-	-
	Sirsa	-	-	-
	Bhiwani	27000	22000	+5000
	Deesa	21350	19985	+1365
	Nagaur	25500	22500	+3000
	Dhabwali	25000	-	-
Guar Gum	Jodhpur	84500	70000	+14500

	Bhiwani	86300	79000	+7300
	Dhabwali	85000	-	-

Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		17-03-12	10-03-12
Churi	Jodhpur	850	850
Korma	Jodhpur	1150	1125

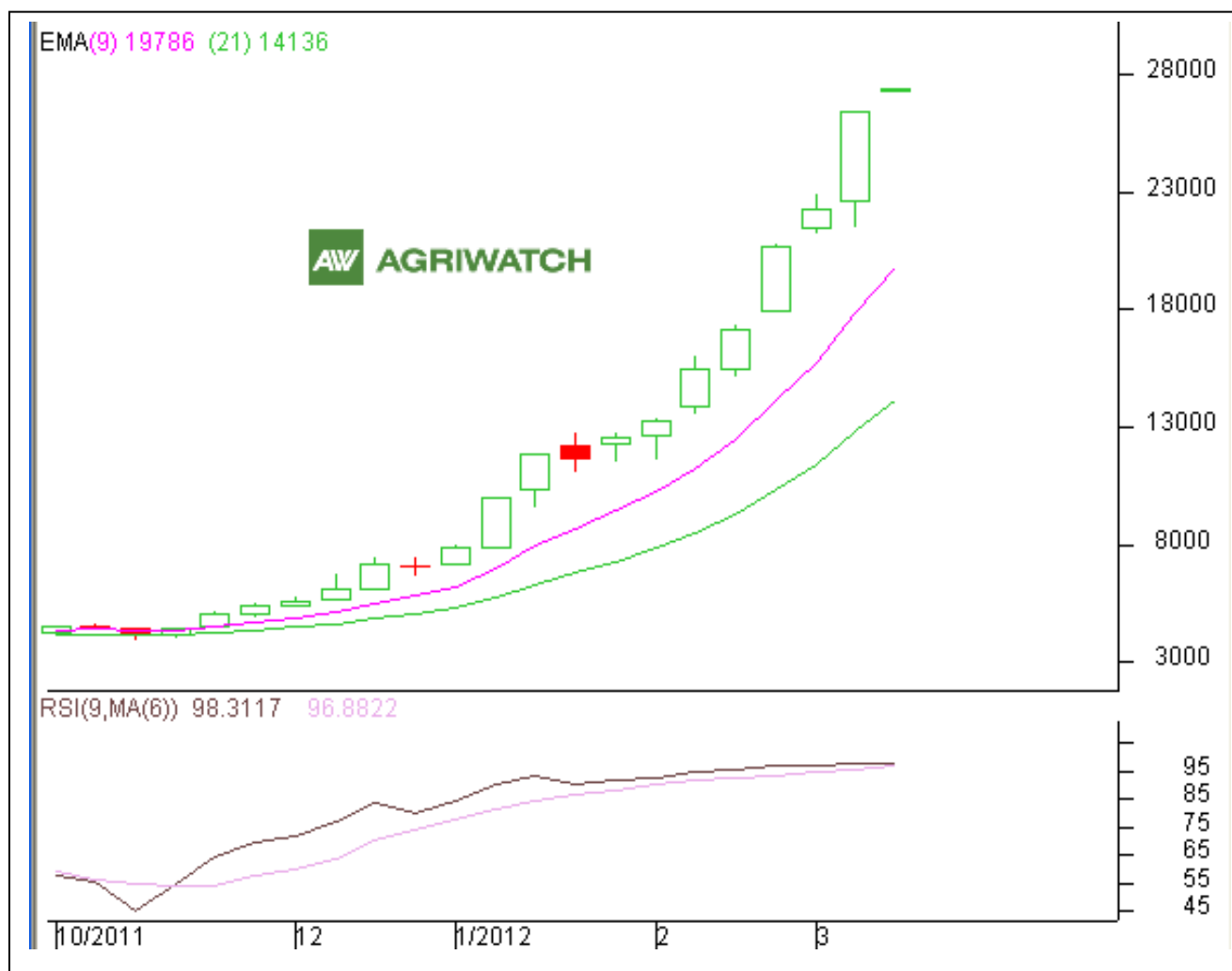
Guar Export Prices:

Commodity	Variety	\$/MT	
		17-03-12	10-03-12
Guargum Split		16000	14300
Guargum Powder	200 Mesh 5000 CPS	17000	15500
	200 Mesh 3500 CPS	17000	15400
Guargum Meal		300	290

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	Week Ending 17-03-12	Week Ending 10-03-12	
Jodhpur	-	4000	-
Bikaner	100	400	-300
Nokha	15	65	-50
Hanumangarh	-	130	-
Sri-Ganganagar	200	1800	-1600
Adampur	-	4500	-
Sirsa	-	-	-
Bhiwani	600	550	+50
Deesa	65	330	-265
Nagaur	20	12	+8
Dhabwali	-	-	-
All India	1000	11787	-10787

Spot Market Technical Analysis of Guar seed & Guar gum



Guar seed prices recorded new high during the week. Break above the resistance of 25000 levels denote that prices are likely to continue the uptrend. RSI is increasing in the overbought region supporting weakness in near-term. Any correction should be considered as good buying opportunity within the overall bullish scenario of the market. Prices are likely to trade in the range of 25000 -30000 levels in near-term. Traders can consider buying around current levels.

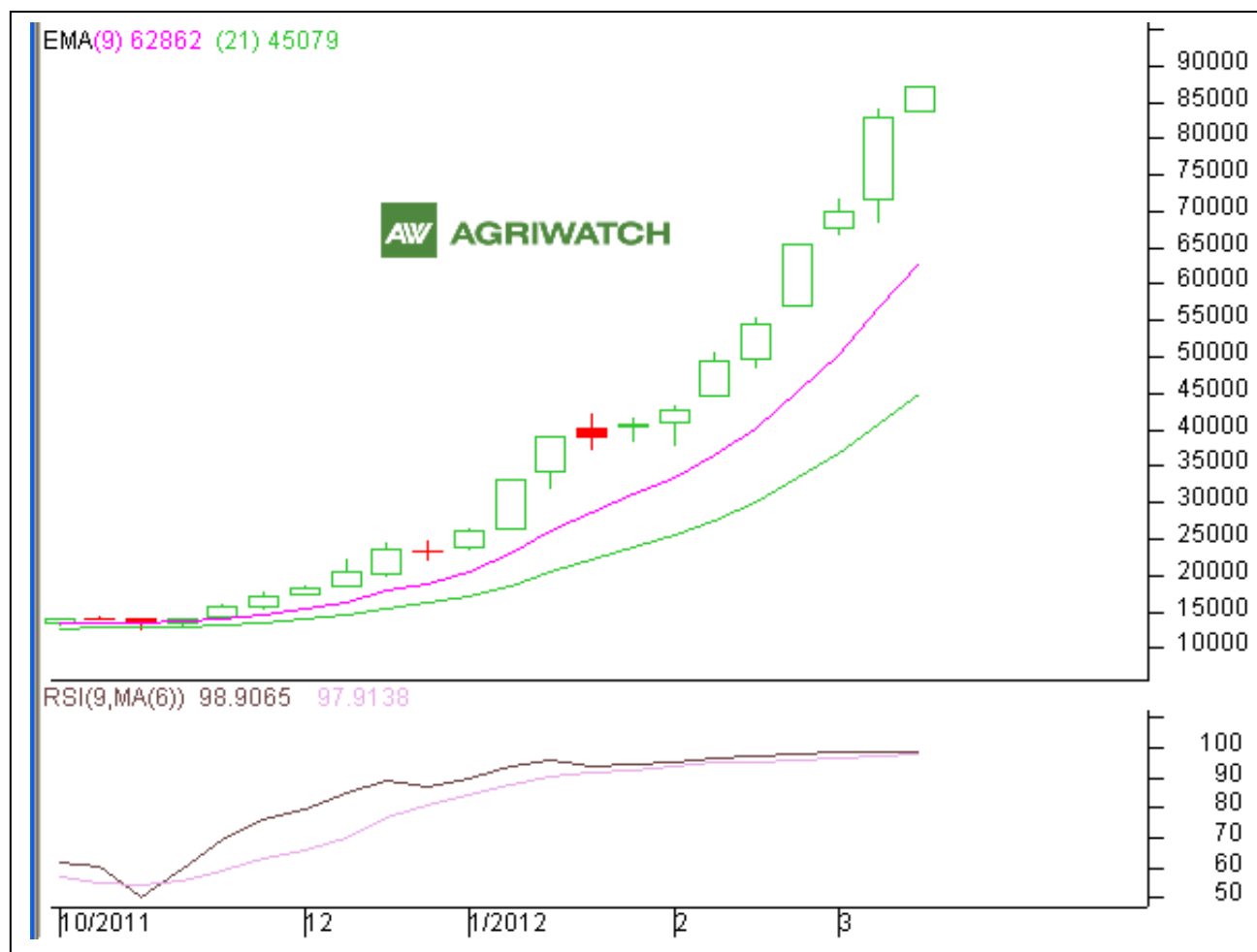


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

Prices continued the uptrend recording further high during the week. Lower volumes and open interest denote that entry of new buyers is required for prices to sustain around current levels. Stochastic is increasing in the overbought region supporting weakness in near -term. MACD is increasing in the positive territory supporting the overall bullish scenario of the market. Prices are likely to trade in the range of 86000-95000 levels during the week.

Spot Market Outlook:

Both Guar seed and Guar gum prices are likely to continue the uptrend in near -term.

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

Technical Commentary: (Guar seed)

- The candlestick pattern shows prices recorded new high during the week.
- Lower volumes and open interest denote that entry of new buyers is required for prices to sustain around current levels.
- RSI denotes that market is overbought and weakness is expected in near -term.
- Prices are ruling above the 9-day and 21-Day EMA supporting the overall firm tone of the market.
- Prices are likely to continue the uptrend in near -term.

GUAR SEED



Strategy: Buy at current level.

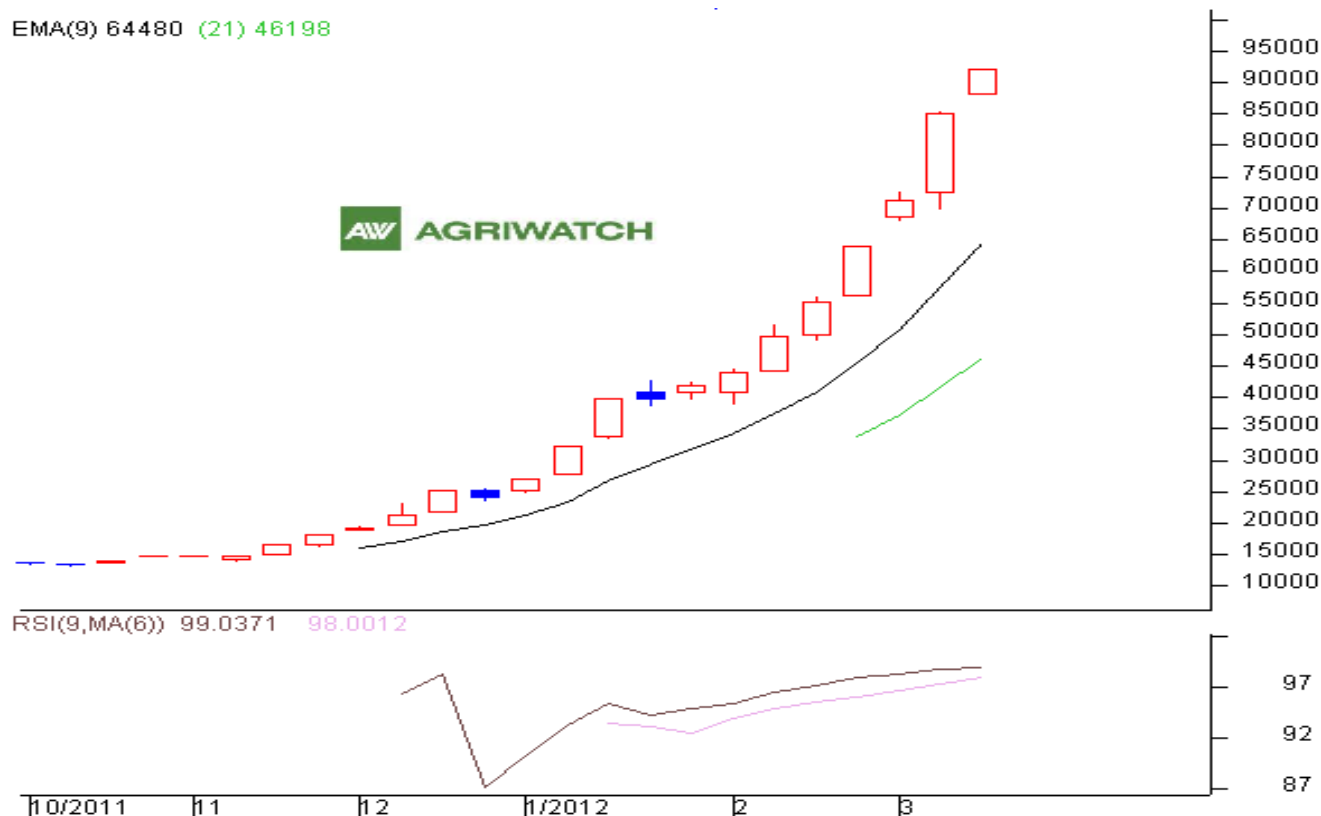
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar seed	NCDEX	March	22530	25000	28550	30500	32000



Technical Commentary: (Guar gum)

- Candlestick chart denotes continuation of buying interest around current levels.
- RSI is increasing in the overbought region supporting weakness in near –term.
- Prices are holding above 9-Day and 21-Day EMA supporting the overall bullish tone of the market.
- Prices are likely to test the resistance of 95000 levels in near –term.

GUAR GUM



Strategy: Buy at current level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar gum	NCDEX	March	83000	85250	92170	95000	98000

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