

Domestic Market Recap:

- Guar seed and guar gum prices traded mostly sideways to lower during the week except slight recovery in Jodhpur and Sri Ganganagar markets.
- There is normal demand in the domestic and export market.
- Buyers are expecting lower buying levels in the coming days.
- According to trade sources, guar crop is expected in Gujarat in the coming weeks. However it is early to comment on the same.
- Higher production of guar seed in the coming season amid expectation of normal monsoon and higher returns during the previous season will weigh on the market in the medium –term.
- Prices are likely to trade in the range of Rs.25000-32000/Qtl levels in the near –term .

Current Market Dynamics

Guar seed and guar gum prices traded sideways to lower during the week. There is regular demand in the domestic and export market. Prices have been trading between Rs.25000/Qtl-Rs.30000/Qtl levels during the last few days. Sowing progress of guar will give further direction to the market. Buying activities are lack-luster amid expectation of decline in prices in the medium –term.

According to trade sources, guar crop is expected in Gujarat in the coming weeks. However it is early to comment on the size of guar crop. In certain regions of Haryana with irrigation facilities, sowing of guar has started. Sowing activities have been reported in certain areas of Rajasthan and Karnataka in April. Normal sowing activities will start in June-July in Rajasthan and Haryana with the commencement of monsoon. As of date, monsoon is expected to be normal during the season. Rains have been reported in certain growing regions during the week.

Expectation of higher guar seed output amid normal monsoon and better returns during the previous month will weigh on prices in the medium –term. According to trade sources, sowing is likely to increase by more than 40 percent to five million hectares, compared to 3.5 million hectares last year due to higher profit realization in 2011/12 season. There will be likely shift in acreage from cotton, jowar, bajra and moong towards guar.

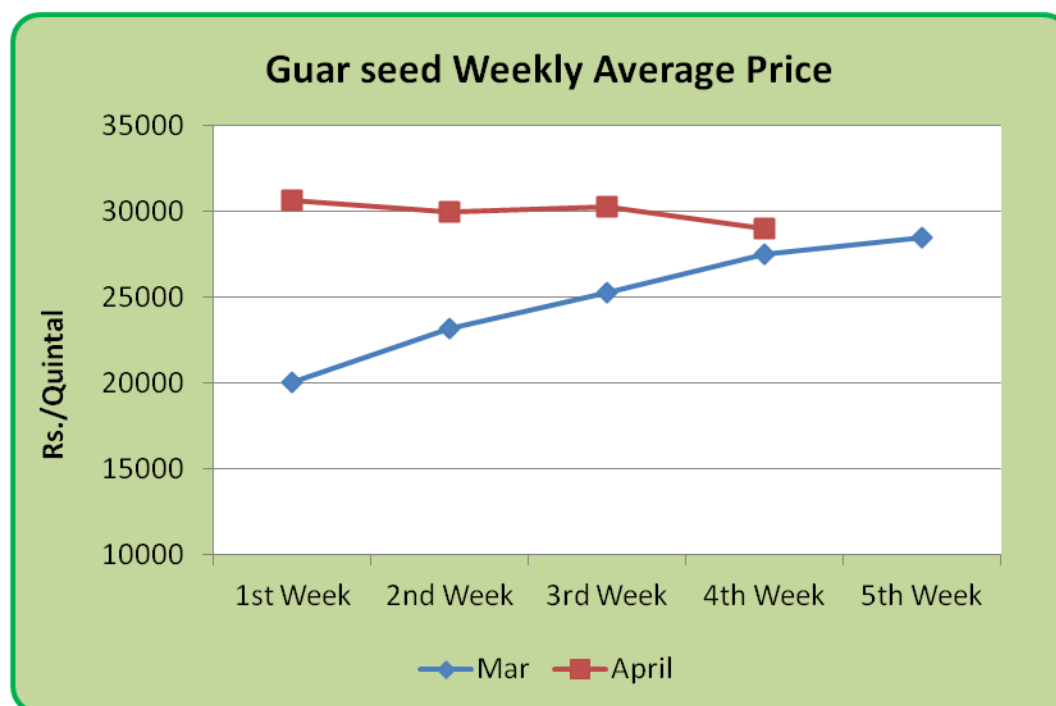
Export demand from U.S. has increased by more than 50 percent as more private companies have been allowed into oil drilling business. Demand for guar gum will increase from China, U.S and Europe according to trade sources. However production is not likely to increase in U.S. and it will depend primarily on India for its requirement.

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 in the market 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 during the same period of the previous year.

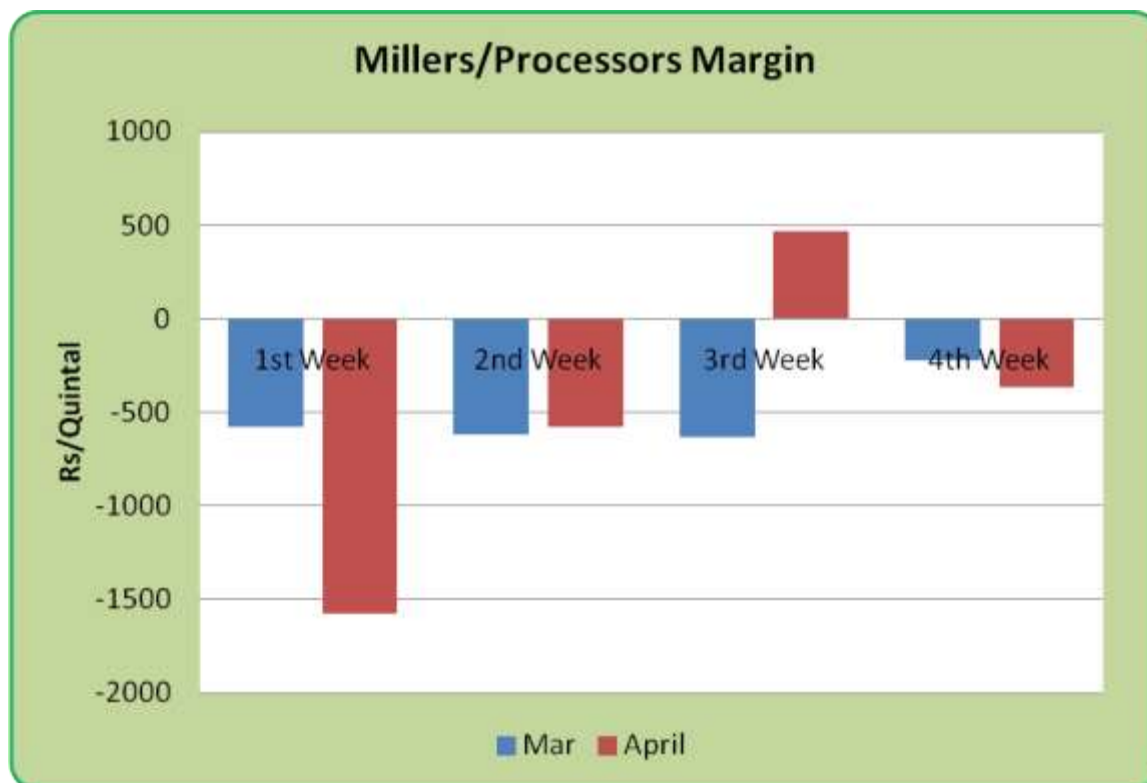
Price Scenario

Guar seed and guar gum prices traded lower during the weekend. The average prices declined week-on-week basis in Jodhpur market.. In the fourth week of April, average price of guar seed declined by 4.30% to Rs.29000/Qtl and that of guar gum declined by 7% to Rs.91250/Qtl compared to the previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.





Millers/Processors Margin



As seen in the chart above, the crushing margin of guar seed declined during the week. In the current week, average crush margin stood at Rs.-367.76/Quintal compared to previous week's crush margin of

Rs.468.94/Quintal amid decline in price of guar gum. Margin is likely to decline further in the coming days as guar seed prices could decrease amid expected increase in production

Guar Prices at Key Spot Markets

Commodity	Centre	Prices in Rs/Qtl		Change
		28-04-12	21-04-12	
Guar Seed				
	Jodhpur (Delivery)	30000	28000	+2000
	Jodhpur (Loose)	27000	27000	Unch
	Bikaner (Delivery)	28200	29500	-1300
	Bikaner (Loose)	27300	28500	-1200
	Nokha	26800	28600	-1800
	Hanumangarh	27600	28700	-1100
	Sri-Ganganagar	29000	28400	+600
	Adampur	27800	29000	-1200
	Sirsa	27500	29000	-1500
	Bhiwani	28500	29000	-500
	Deesa	25720	25125	+595
	Nagaur	26000	27500	-1500
	Dhabwali	-	Closed	-
Guar Gum	Jodhpur	93500	97500	-4000
	Bhiwani	95000	97000	-2000
	Dhabwali	-	Closed	-

Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		28-04-12	21-04-12
Churi	Jodhpur	625	650
Korma	Jodhpur	925	950

Guar Export Prices:

Commodity	Variety	\$/MT	
		28-04-12	21-04-12
Guargum Split		19300	19700
Guargum Powder	200 Mesh 5000 CPS	20600	21200
	200 Mesh 3500 CPS	20500	21100
Guargum Meal		295	300

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)	Change
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	Week Ending 28-04-12	Week Ending 21-04-12	
Jodhpur	-	-	-
Bikaner	100	100	Unch
Nokha	5	12	-7
Hanumangarh	-	-	-
Sri-Ganganagar	-	20	-
Adampur	700	2500	-1800
Sirsa	-	-	-
Bhiwani	600	400	+200
Deesa	85	70	+15
Nagaur	-	25	-
Dhabwali	-	-	-
All India	1490	3127	-1637

Spot Market Technical Analysis of Guar seed & Guar gum

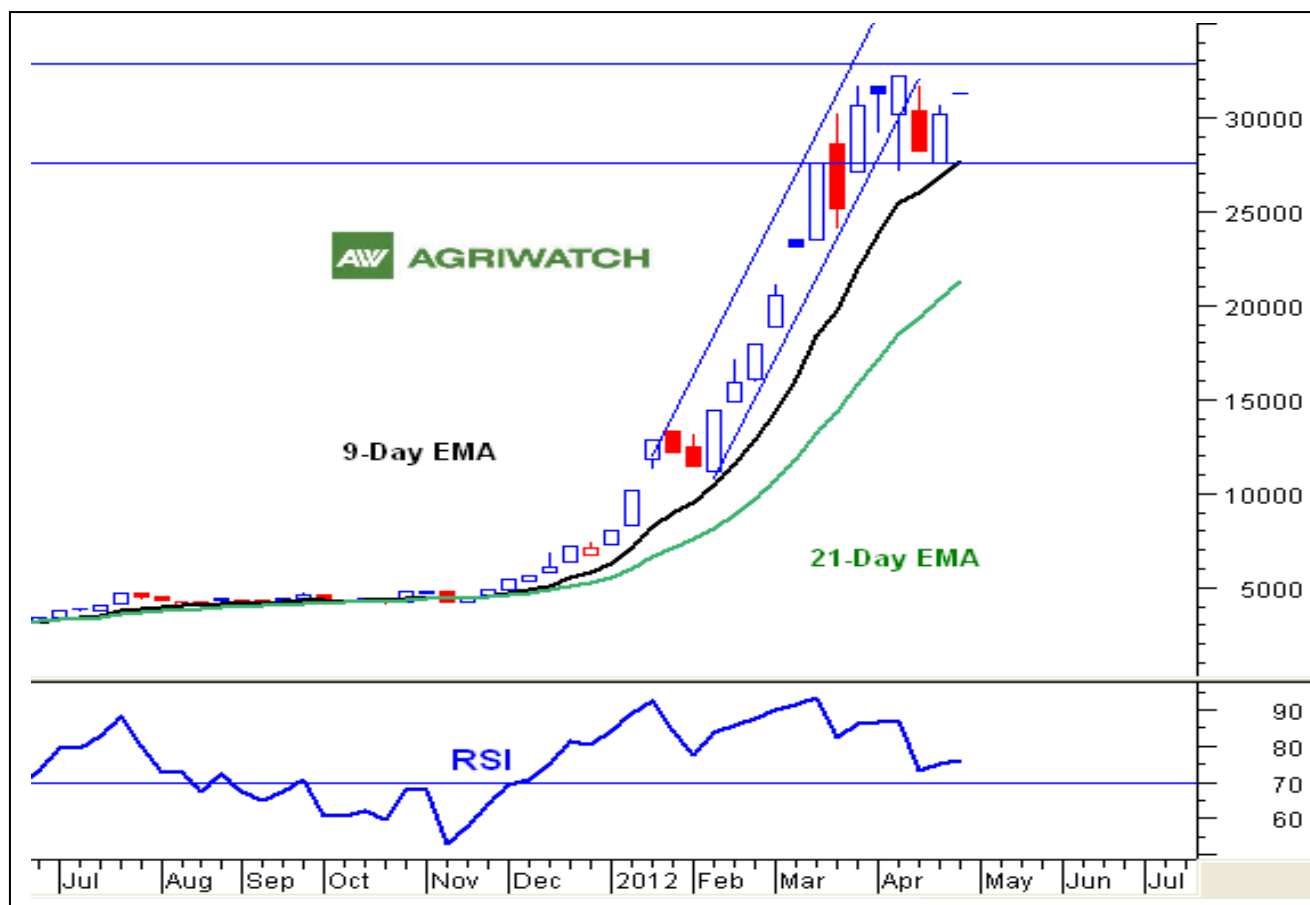


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

Prices continued the downtrend during the week and are trading below the bullish channel as seen in the chart. However prices witnessed some recovery. Stochastic oscillator is declining in the neutral region supporting weakness in near –term. Prices are likely to notice short-term recovery. MACD is in the positive territory supporting the overall positive tone of the market. Prices are recovering after retracing down towards 23.6% level of Rs.26890. On the downside there is support at Rs.27470 levels and Rs.25000 levels. On the upside there is resistance at Rs.33000 and Rs.35000 levels respectively.

Prices are likely to notice some recovery towards Rs.32000 levels.

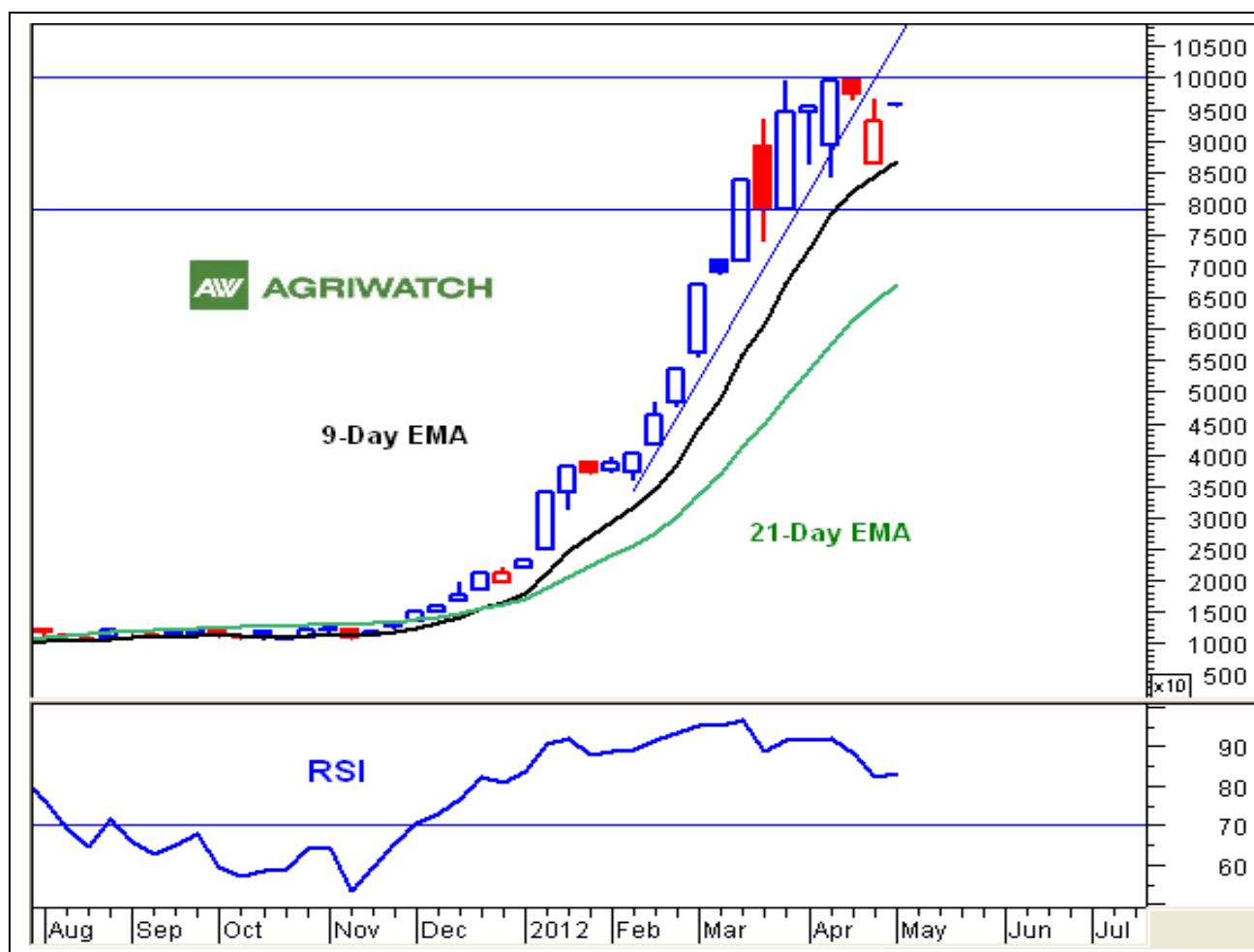


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

Guar gum prices declined during the week amid selling pressure at higher levels. After declining towards Rs.87000 levels, prices are showing some recovery. Prices are holding below 9-Day and 21-Day EMA supporting weakness in medium –term. Prices will find support at Rs.85000 levels and if this is broken, the next support is at Rs.80000 levels. RSI is steady in the overbought region denoting caution to the buyers. On the upside there is resistance at Rs.100000 and Rs.105000 levels respectively.



Prices are likely to witness some recovery and ease thereafter towards Rs.85000 levels.

Spot Market Outlook:

Both Guar seed and Guar gum prices are expected to decline after noticing initial gains.

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