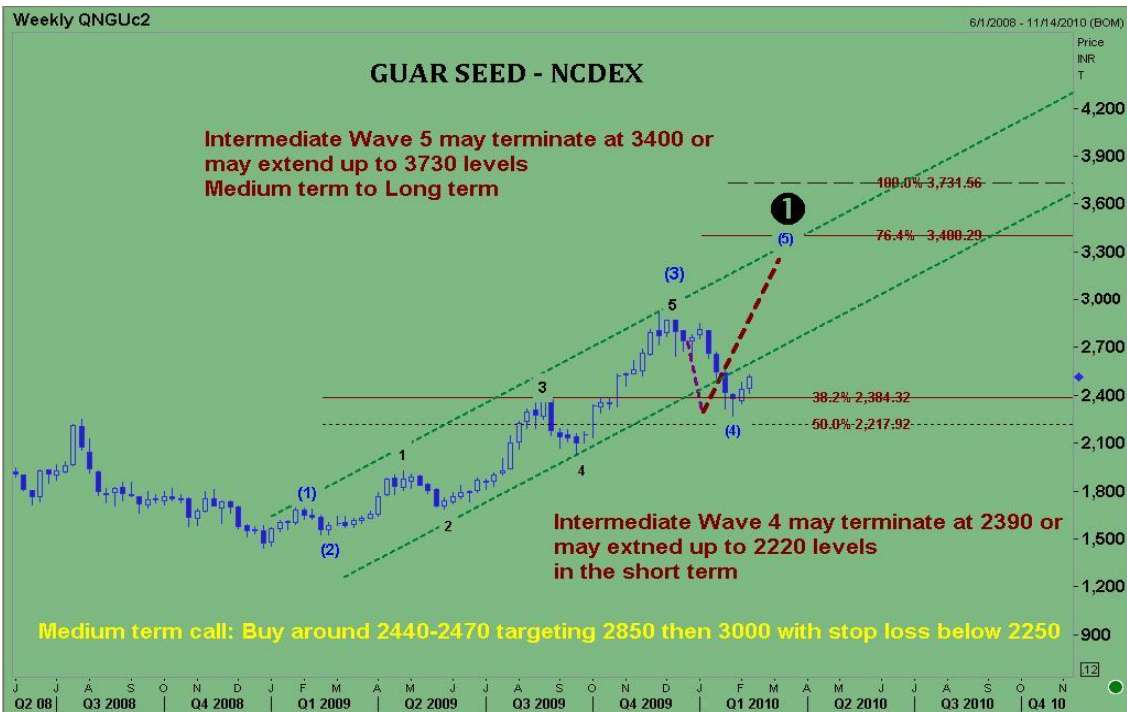




# Guar Seed

## Bumper crop forecast to keep prices down



### Factor to watch for

- Bumper crop harvest this year
- Higher acreage and favourable weather condition
- Shrinking demand for churi and korma

**Buy around 2440-2470 targeting 2850 then 3000 with stop loss below 2250**

Guar seed futures are expected to remain on bearish note in the short term on continued selling pressure based on bearish fundamental factors

1. The production in 2010-11 is expected to be above 8 lakh tons on increased acreage and favourable weather condition
2. Last year, the production was 3.5 lakh tones, down 60% due to unfavorable weather condition
3. The sowing in Rajasthan has crossed the set target of 26.90 lakh hectares by the government
4. According to Rajasthan Ministry of Agriculture, guar seed acreage as on 19<sup>th</sup> August is up 10% Y/Y to 28.43 lakh hectares
5. Demand for churi and korma has been declining due to availability of other feed ingredients at much lower price
6. Present weather conditions are very conducive for proper growth of the crop
7. According to Indian Meteorological Department, rainfall in Northwest India during Jun 1 to Aug 24 is 488.1 mm, 6% above normal
8. Above normal rainfall is further boosting the crop condition in the region

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