

## ■ GUAR SEED

■ 27th, Sept. 2007

### SPOT MARKETS:

At Jodhpur, guar seed and gum prices recovered marginally on mild demand from processors and exporters while prices remain unchanged at Bikaner, Sriganganagar and Nokha markets on routine demand-supply situation. Sources reported that the recent rains seen favourable for late sown guar crop in Western and Central Rajasthan and the yield is likely to improve to some extent. However, the harvesting of the crop is likely to start after mid-November and the crop requires one more spell of rains in between, in absence of which the yield may fall. Also the IMD predicted for anti-cyclonic circulation over Rajasthan and NW India, which may lead to withdrawal of SW monsoon and consequently affect the growth and yield of crop in western and central Rajasthan. It also predicted for rains over Haryana region, which may hinder the harvesting of the maturing crop as well as harm the quality of seed. Further, good demand for Churi and Korma (by-product of guar seed processing) reported in Haryana markets and prices went by Rs 200 to Rs 850 and Rs 650 level. Arrivals across the markets stood steady at Tuesday's level of 3000 bags. Arrivals in Sriganganagar reported at 600-700 bags.

### FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded range bound at NCDEX. The November contract for Guar seeds opened weak at Rs 1710/qrtl, Rs 2 down from the previous closing of Rs 1712/qrtl and traded down initially testing a low of Rs 1704/qrtl. However, prices recovered thereafter on some renewed buying interest testing a high of Rs 1725/qrtl before it closed at Rs 1713/qrtl. November contract traded in the range of Rs 1704-1725/qrtl and October contract traded in the range of Rs 1675-1695/qrtl. Guar gum November contract traded in the range of Rs 4350-4410/qrtl and October contract traded in the range of Rs 4291-4347/qrtl.

Guar seed futures traded firm at MCX. November contract opened weak at Rs 1675 against the previous close of Rs 1685. Contract then traded up on renewed buying interest testing a high of Rs 1685 and settled at days high. October contract traded in the range of Rs 1603-1658.5.

### PRICE DRIVERS:

- Total acreage in Rajasthan is estimated at 2.14 mln ha compared to last year's 2.81 mln ha.
- Quality concerns over harvested seeds as well as maturing crop in Sriganganagar due to recent rains
- Czech Republic's blocked four consignment of Indian guar gum
- Reports of lower yield in Haryana & Rajasthan
- Expectation of lower production in Pakistan
- Good demand from millers & exporters
- Fresh arrivals started in Sriganganagar
- EU may soon lift guar gum import ban
- Lower stock position in the market
- Total production likely to decline marginally compare to last year

### WEATHER IMPACT:

IMD predicted for rains & thundershowers outside the west Rajasthan and decrease in rainfall activity over NW India.

### TECHNICALS:

Candlestick chart pattern shows indecisive market. MACD and EMA remain weak for the medium-term. Stochastic and is moving down in the oversold region while RSI is heading up in the oversold region. So a bounce back cannot be ruled out. Market is expected to trade range bound with firm bias.

### OUTLOOK:

Guar seed futures are expected to trade range bound with firm bias.

### NCDEX Guar Seed November Contract:



### SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Nov.	1697	1704	1713	1752	1763
NCDEX Guar Gum Nov.	4368	4379	4382	4438	4450
MCX Guar Seed Nov.	1650	1663	1685	1728	1740

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- November Guar Seed above 1718 with target of 1730 then 1737. Stop loss near 1711.

**BUY** NCDEX- November Guar Gum above 4395 with target of 4412 then 4420. Stop loss near 4386.

**Do not carry forward the position until the next day.**

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- November Guar Seed above 1690 with target of 1710. Stop loss near 1680.

**Do not carry forward the position until the next day.**

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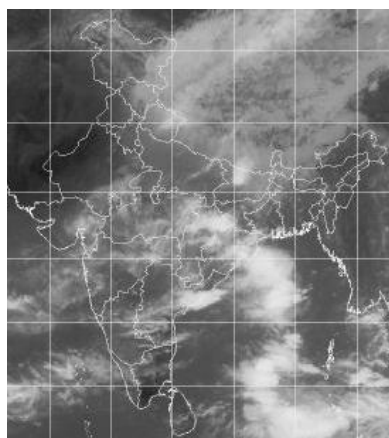
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	26.09.07	25.09.07	Change
Guar Seed	Bikaner	1645	1645	Nil
	Jodhpur	1755-65	1750-55	+10
	Nokha	1655-65	1660-65	Nil
Guar Gum	Sri Ganganagar	1645-55	1650-55	Nil
	Jodhpur	4425-50	4400-25	+25

### NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1692	1695	1675	1683	1682	+1
	November	1710	1725	1704	1713	1712	+1
	December	1740	1755	1735	1743	1744	-1
Guar Gum	October	4347	4347	4291	4322	4316	+6
	November	4362	4410	4350	4382	4380	+2
	December	4475	4490	4431	4460	4466	-6

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 26.09.07)**



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