

## ■ GUAR SEED

■ 22nd, Sept. 2007

### SPOT MARKETS:

Guar seed and gum prices eased further at major mandis in Rajasthan on normal demand against improved arrivals. Guar seed prices eased by Rs 5-10 at Jodhpur, Bikaner, Sriganganagar and Nokha markets compared to Thursday's. At Jodhpur, guar gum declined by Rs 25-50. Arrivals across the major markets in Rajasthan improved from the Thursday's level of 2800-3000 bags to 3400-3600 bags. In Sriganganagar arrivals improved from 600 bags to 1000 bags. Nokha and Bikaner received the arrivals of around 100-150 bags each. Meanwhile, with the report of Czech Republic's blocking of four consignment of Indian guar gum further imparted bearish tone. The (CAFIA) Czech Agriculture and Food Inspection Authority, in cooperation with the General Directorate of Customs (GDC), have blocked 4 extra consignments of Indian guar gum till outcome of the report of EU inspection of Indian guar gum quality, which is expected to be done early next month.

### FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded range bound at NCDEX. The October contract for Guar seeds opened weak at Rs 1753/qrtl, Rs 3 down from the previous closing of Rs 1756/qrtl and traded up in early hours testing a high of Rs 1765/qrtl. However, prices eased thereafter on selling pressure testing a low of Rs 1745/qrtl before it closed at Rs 1748/qrtl. October contract traded in the range of Rs 1745-1765/qrtl. Guar gum October contract traded in the range of Rs 4455-4499/qrtl.

Guar seed futures traded firm at MCX. October contract opened weak at Rs 1705.0 from previous close of Rs 1707.5 and traded down initially testing a low of Rs 1683.0. However, prices recovered thereafter testing a high of Rs 1739.0 and settled at days high.

### PRICE DRIVERS:

- Quality concerns over harvested seeds as well as maturing crop in Sriganganagar due to recent heavy rains
- Czech Republic's blocked four consignment of Indian guar gum
- Forecast of rains over NW India
- Reports of lower yield in Haryana & Rajasthan
- Expectation of lower production in Pakistan
- Good demand from millers & exporters
- Fresh arrivals started in Sriganganagar & few parts in Haryana
- 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 fairly widespread rainfall activity over NW India.

### TECHNICALS:

Candlestick chart pattern shows indecisive market. MACD and EMA remain weak for the medium-term. Stochastic has made bearish crossover in neutral region while RSI is about to enter in to the oversold zone. Market is expected to trade range bound with weak bias with possibility of late upward movement.

### OUTLOOK:

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

### NCDEX Guar Seed October Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1712	1720	1748	1757	1765
NCDEX Guar Gum Oct.	4387	4402	4460	4471	4489
MCX Guar Seed Oct.	1712	1722	1739	1755	1766

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- October Guar Seed near 1745 with target of 1735 then 1730. Stop loss near 1750.

**SELL** NCDEX- October Guar Gum near 4450 with target of 4434 then 4426. Stop loss near 4458.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- October Guar Seed near 1746 with target of 1730. Stop loss near 1754.

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

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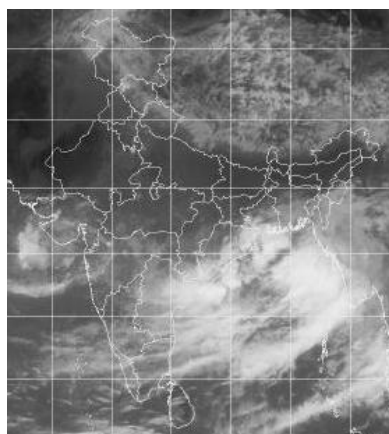
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	21.09.07	20.09.07	Change
Guar Seed	Bikaner	1700	1700-1710	-10
	Jodhpur	1790-1800	1800-1810	-10
	Nokha	1720-25	1720-30	-5
Guar Gum	Sri Ganganagar	1690-95	1690-1700	-5
	Jodhpur	4550-75	4575-4600	-25

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1753	1765	1745	1748	1756	-8
	November	1795	1799	1778	1781	1790	-9
	December	1818	1830	1810	1813	1820	-7
Guar Gum	October	4479	4499	4455	4460	4481	-21
	November	4525	4573	4520	4540	4545	-5
	December	4600	4658	4600	4620	4621	-1

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 21.09.07)**



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