

■ GUAR SEED

■ 20th, Oct. 2007

SPOT MARKETS:

Guar seed and gum-traded firm in most of the markets Friday as slight shrinkage in the arrivals supported the prices. The Arrivals of about 40000-45000 bags were seen in different markets against 50000-60000 bags on Thursday. The stockists and exporters are selectively buying quality seeds from the market. The guar seed production this year in the country is expected to remain steady, however with the quality of seeds affected in Haryana and Northern Rajasthan, the availability of quality will be comparatively low. Quality of seeds from western Rajasthan's Guar crop is expected to be good, provided it gets rain during pod filling stage. In case of sustained dry weather in the region quality as well as yield will be affected. The prospects of Indian guar look positive this year despite stronger rupee, as the production is said to be lower in Pakistan. In such a scenario, demand for quality seeds is expected to remain strong, which in turn will limit the downside potential of guar seed prices

FUTURES MARKETS (NCDEX & MCX):

Guar seed and guar gum futures retreated all the earlier gains of the session to close in negative column Friday. NCDEX Guar seed December contract opened firm at Rs1773/qrtl, thereafter it traded as high as Rs 1784/qrtl before finally closing the session at Rs 1764/qrtl. NCDEX November contract traded volatile between Rs 1721-1743/qrtl during the session. Guar gum NCDEX November contract traded mostly positive after opening gap up at Rs 4350/qrtl. The contract traded in the range of Rs 4300-4350/qrtl. The session closed at Rs 4304/qrtl. The December contract traded between Rs 4386-4420/qrtl.

PRICE DRIVERS:

- § Market is expecting EU team's report positive
- § Arrivals now expected to gradually fall in Sriganganagar region
- § Sluggish demand from stockists
- § Arrivals in Haryana is increasing, seed quality is poor
- § Reports of lower yield in Haryana
- § Expectation of lower production in Pakistan
- § Good demand from millers
- § Shortage of quality seeds in the market

WEATHER IMPACT:

Dry weather conditions prevail in the main guar growing regions, which is conducive for the harvest of the crop in early sown areas of Rajasthan and Haryana. Western Rajasthan is waiting for rains for its pod-bearing crop.

TECHNICALS:

The prices closed above short term and medium term EMA, which supports bulls. MACD is showing continuous improvement in bullish momentum and is about to enter in positive region. Stochastic is also rising upward in normal region supporting bulls.

OUTLOOK:

Guar futures may trade volatile with bullish bias.

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Dec.	1739	1750	1764	1794	1809
NCDEX Guar Gum Dec.	4312	4342	4386	4428	4458
MCX Guar Seed Dec.	1663	1678	1700	1718	1730

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- December Guar Seed above 1755 with target of 1774 and then 1784. Stop loss at 1744.

BUY NCDEX- December Guar Gum above 4374 with target of 4410 and then 4425. Stop loss at 4354.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- December Guar Seed above 1690 with target of 1710. Stop loss near 1670.

Do not carry forward the position until the next day.

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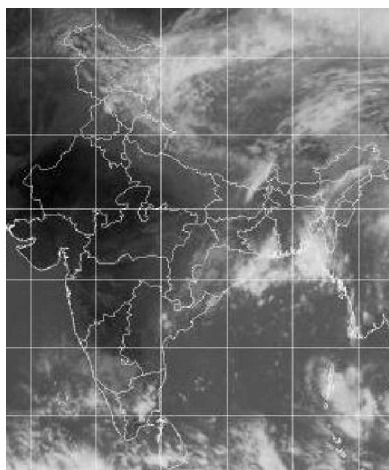
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	19.10.07	18.10.07	Change
Guar Seed	Bikaner	1640-45	1610-15	+30
	Jodhpur	1735	1725	+10
	Nokha	1660	NA	-
Guar Gum	Sri Ganganagar	1601	1584	+17
	Jodhpur	4200	4250	-50

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	November	1773	1743	1721	1723	1725	-2
	December	1811	1784	1762	1764	1764	0
	January	1811	1820	1801	1802	1806	-4
Guar Gum	November	4350	4340	4300	4304	4293	+11
	December	4400	4420	4386	4386	4382	+4
	January	4490	4505	4473	4473	4429	+44

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 19.10.07)



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