

# GUAR COMPLEX

**Agriwatch**  
DAILY

## ■ GUAR SEED

■ 27th Oct, 2007

### SPOT MARKETS:

Guar seed and gum traded with some firmness during Friday's trade. It was offered in a higher price range in major domestic markets amidst mostly steady arrivals. Arrivals remain steady at around 80000-85000 bags on all-India basis. Traders reported presence of some demand as the major reason behind the recovery in prices after the recent decline. The market remains underpinned by the expectations of the European Union clearing the contamination issues related to guar gum exports. Consequently, some stockists demand was present in the market. Guar gum prices also improved moderately in the line of guar seed prices and traders are eyeing further reports from the EU regarding the contamination issue for further direction. Export demand for guar gum remains at the weaker side. Quality seeds of Western Rajasthan are likely to be seen in the market yards only after 15<sup>th</sup> of November, thus resulting in a temporary void in supplies of good quality seeds.

### FUTURES MARKETS (NCDEX & MCX):

Guar seed as well as guar gum futures at NCDEX witnessed some recovery after losing ground in the previous trading day. Most active December guar seed contract at NCDEX opened higher than previous settlement and tested an intraday low of Rs. 1764 at the early hours of trade. Increased buying interest has supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 1791. Most active December guar seed contract finished higher by Rs. 18 or 1.03 per cent after trading in the range of Rs. 1764-1791 during Friday's trade.

Most active December guar gum contract finished higher by Rs. 11 or 0.25 per cent after trading in the range of Rs. 4412-4446 during Friday's trade.

### 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:

Candlesticks pattern indicates steady to firm opening and initial uptrend. Prices closed above the 9-day as well as 18-day EMA, suggesting a firm trend in the market. MACD is in the positive territory. 14-day RSI is in neutral region and would support both way movements. Guar futures are likely to trade upwards following a steady to firm opening with possibility of some downward movements later.

### NCDEX Guar Seed December Contract:

Guarseeds 0712(NCGUAZ7)2007/10/27 - Daily B:1783.00 A:1784.00  
O 1769.00 H 1791.00 L 1764.00 C 1784.00 V 78,330 I 122,370 +19  
EMA(9) 1769.8 (18) 1763.2



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Dec.	1750	1758	1784	1805	1815
NCDEX Guar Gum Dec.	4374	4396	4425	4460	4488
MCX Guar Seed Dec.	1742	1750	1770	1777	1785

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY NCDEX-** December Guar Seed near 1778 with target of 1790 and then 1798. Stop loss at 1772.

**BUY NCDEX-** December Guar Gum near 4420 with target of 4445. Stop loss at 4408.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY MCX-** December Guar Seed near 1765 with target of 1775. Stop loss near 1760.

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

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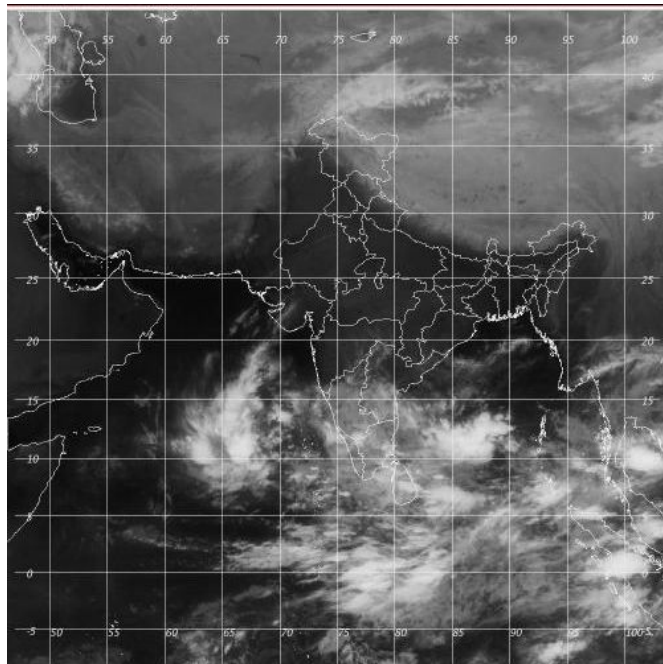
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### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centre	26.10.07	25.10.2007	Change
Guar Seed	Bikaner	1660	1640	+20
	Jodhpur	1735	1715	+20
	Nokha	Na	Na	-
	Sri Ganganagar	1560-80	1550-60	+20
Guar Gum	Jodhpur	4325	4300	+25

### SATELLITE IMAGE OF PRESENT WEATHER CONDITIONS: (Source: IMD)



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