

■ GUAR SEED

■ 10th, Oct.

SPOT MARKETS:

Guar seed prices improved slightly at most of the centers on buying support at lower levels. However the overall sentiments in the market continues to remain weak on poor quality of seeds arriving in northern Rajasthan and Haryana markets and subdued demand. Demand from Stockists is slightly weak as they are keeping themselves on the sidelines due to indecision about export demand prior to clear signal from EU. The EU delegates are likely to finish their inspection by October 12 and the scene will be clear only after their report. Further, the declined acreage in Rajasthan this year might result in overall fall in production in the country, but the situation might get worsened if the delayed crop in western Rajasthan doesn't get showers ahead of maturity. So, a lot would depend on the weather conditions up to beginning of November. If the dry spell extends till that period, the yield of highly weather sensitive crop might fall significantly. Increasing arrivals in Sriganganagar and Hanumangarh belts are finding their way to millers as demand for Churi and Korma is healthy at this moment, however due to poor quality the prices are on the lower side. Guar seed market is likely to remain range bound to slightly weak until it sees the green signal from the EU team and good quality seeds start reaching the markets.

FUTURES MARKETS (NCDEX & MCX):

Guar seed and guar gum futures traded firm on Tuesday on buying support at lower levels. NCDEX Guar seed November futures traded volatile with firm bias in the price range of Rs 1662-1697/qtl after steady opening at Rs 161674/ql on Tuesday. The days trading however ended slightly above previous days close at Rs 1686/qtl. October Guar seed contract traded in the range of Rs 1633-1665/qtl during the session. The guar gum futures ended positive after opening weak at the NCDEX on Tuesday. The Guar gum futures [November contract] opened weak at Rs 4250/qtl against the previous close of Rs 4255/qtl. The futures traded in the price band of Rs 4230-4310/qtl and Guar gum October contract traded in the range of Rs 4190-4225/qtl.

PRICE DRIVERS:

- Harvesting gathering momentum in Sriganganagar
- Sluggish demand from stockists
- Arrivals in Haryana has started, seed quality is poor
- Total acreage in Rajasthan is estimated at 2.14 mln ha compared to last year's 2.81 mln ha.
- EU begins accepting guar gum consignment
- Poor quality of seeds in Sriganganagar
- Reports of lower yield in Haryana & Rajasthan
- Expectation of lower production in Pakistan
- Good demand from millers & exporters
- Lower stock position 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.

TECHNICALS:

Long shadows of candlestick show indecision in the market. The prices continue to hold the levels below short and medium term EMAs, which supports bears. MACD is showing increasing bearish momentum. Stochastic however is running down in normal region. Market is expected to trade volatile with bearish bias.

OUTLOOK:

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

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Nov.	1650	1662	1686	1707	1722
NCDEX Guar Gum Nov.	4190	4220	4280	4324	4362
MCX Guar Seed Nov.	1625	1642	1665	1710	1730

INTRADAY TRADE RECOMMENDATION (NCDEX):

Sell NCDEX- November Guar Seed below 1698 with target of 1673 and then 1662. Stop loss near 1712.

Sell NCDEX- November Guar Gum below 4305 with target of 4255 and then 4335. Stop loss near 4330.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

Sell MCX- November Guar Seed below 1680 with target of 1655. Stop loss near 1695.

Do not carry forward the position until the next day.

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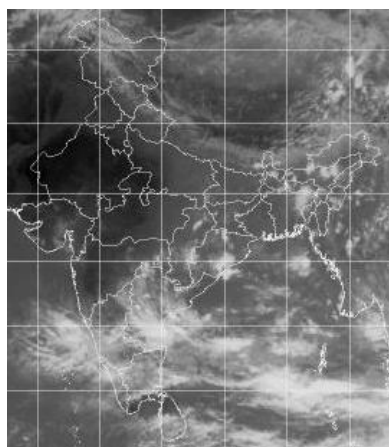
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	09.10.07	08.10.07	Change
Guar Seed	Bikaner	1600-1610	1590	+20
	Jodhpur	1720	1675-80	+35
	Nokha	1640-1650	1630-40	+10
Guar Gum	Sri Ganganagar	1490	1460	+30
	Jodhpur	4250	4275	-25

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1646	1665	1633	1655	1643	+12
	November	1674	1697	1662	1686	1673	+13
	December	1704	1728	1692	1716	1703	+13
Guar Gum	October	4196	4225	4190	4210	4173	+37
	November	4250	4310	4230	4280	4255	+35
	December	4320	4375	4300	4346	4323	+23

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 09.10.07)



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