

■ GUAR SEED

■ 17th, Oct. 2007

SPOT MARKETS:

Guar seed prices remained slightly firm at most of the markets with steady arrivals and demand situation. Arrivals in Sriganganagar market have started declining as the harvesting of the early crop sown in the region has already peaked. The harvesting of main crop of guar on western Rajasthan will start in mid November and till then the arrival pressure is not likely to build much. Demand for poor quality seeds from Sriganganagar and Haryana is coming from millers thanks to the healthy demand for by-products. Further, the slightly poor quality (off colored) gum produced from these rain-affected seeds will be consumed domestically. Thus from millers stand point, there is no harm in purchasing poor quality seeds at lower prices. Exporters on the other hand are not buying as they are waiting for the good quality stuff. Steady arrivals of around 30000 bags were seen in the market on Tuesday. The market is also eying the weather conditions in Western Rajasthan, which remains key factor for yield at this stage. The crop will need one shower in next fifteen days or so to get healthy yield. The prices are likely to remain range bound with slight bullish inclination.

FUTURES MARKETS (NCDEX & MCX):

Guar seed and guar gum futures traded firm on Tuesday extending the gains of the previous session. NCDEX Guar seed Nov contract opened firm at Rs1718/qttl. Thereafter it traded mostly firm in the range of Rs 1715-1736/qttl before closing the session slightly off the highs at Rs 1728/qttl. NCDEX October contract traded firm between Rs 1683-1702/qttl during the session. Guar gum NCDEX November contract traded firm after firm opening Rs 4330/qttl. The contract traded in the range of Rs 4305-4355/qttl. The session closed at Rs 4331/qttl. The October contract traded between Rs 4176-4260/qttl.

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 & Rajasthan
- § Expectation of lower production in Pakistan
- § Good demand from millers
- § 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. Western Rajasthan is waiting for rains for its pod bearing crop.

TECHNICALS:

The prices managed to close above short term and medium term EMAs, which supports bulls. MACD is showing some improvement in bullish momentum. RSI is also supporting bulls in normal 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 Nov.	1696	1705	1728	1743	1763
NCDEX Guar Gum Nov.	4270	4306	4331	4386	4413
MCX Guar Seed Nov.	1665	1686	1695	1718	1730

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- November Guar Seed above 1720 with target of 1740 and then 1750. Stop loss at 1708.

BUY NCDEX- November Guar Gum above 4312 with target of 4355 and then 4375. Stop loss at 4290.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- November Guar Seed above 1685 with target of 1705 and then 1715. Stop loss near 1672.

Do not carry forward the position until the next day.

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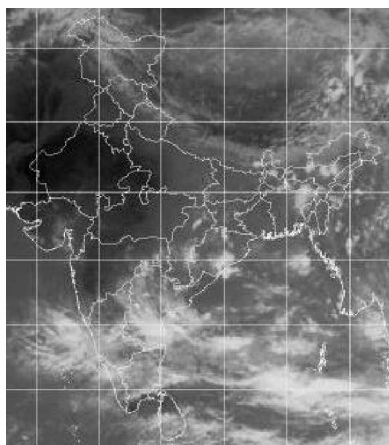
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	16.10.07	15.10.07	Change
Guar Seed	Bikaner	1660	1650	+10
	Jodhpur	1760	1750	+10
	Nokha	1680	1670-80	-
	Sri Ganganagar	1565	1550	+15
Guar Gum	Jodhpur	4350	4300	+50

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1688	1702	1683	1695	1675	+20
	November	1718	1736	1715	1728	1711	+17
	December	1752	1775	1751	1766	1747	+19
Guar Gum	October	4176	4260	4176	4248	4219	+29
	November	4330	4355	4305	4331	4303	+28
	December	4400	4425	4380	4406	4378	+28

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 16.10.07)



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