

## ■ GUAR SEED

■ 19th, Oct. 2007

### SPOT MARKETS:

Guar seed traded weak in most of the markets Thursday with increased arrivals and subdued demand keeping the prices on the lower side. The arrivals almost doubled to 50000-60000 bags from 30000 bags on the previous day, which pressured the prices. However, the arrivals are now expected to gradually shrink in Ganganagar and Hanumangarh districts of Rajasthan as harvesting is heading towards completion. The market remained lack luster with stockists and exporters keeping themselves away from the market with dismal arrivals of quality seeds. Millers on the other hand bought the rain-affected seeds at bargained prices looking at healthy demand for byproducts. Good quality seeds in the region are likely to reach the market yards within a week, demand for which is likely to be strong. Similarly, the crop from Western Rajasthan, which is due around mid of November, is expected to witness strong demand from stockists and exporters, as availability of quality seeds this year seems short. Meanwhile, the crop in Western Rajasthan is in pod bearing / filling stage and direly needs showers within next two weeks to avoid drop in yield. Currently, the weather in the region is dry, which is concerning for the crop. The uncertainty is surrounding the guar market in terms of crop size and export prospects, and thus the prices are hovering in a range.

### FUTURES MARKETS (NCDEX & MCX):

Guar seed and guar gum futures traded slightly weak in a thin trading session Wednesday. NCDEX Guar seed November contract opened slightly weak at Rs1728/qrtl Wednesday, thereafter it traded mostly weak in the range of Rs 1703-1730/qrtl before closing the session at Rs 1704/qrtl. NCDEX December contract traded weak between Rs 1739-16766/qrtl during the session. Guar gum NCDEX November contract traded weak after weak opening Rs 4330/qrtl. The contract traded in the range of Rs 4260-4350/qrtl. The session closed at Rs 4260/qrtl. The December contract traded between Rs 4340-4395/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 bullish engulfing pattern shows firmness in the prices. The prices closed above short term and medium term EMA, which supports bulls. MACD is showing some improvement in bullish momentum. 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	1770	1794	1809
NCDEX Guar Gum Dec.	4312	4342	4385	4428	4458
MCX Guar Seed Dec.	1663	1670	1690	1718	1730

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- December Guar Seed above 1774 with target of 1794. Stop loss at 1762.

**BUY** NCDEX- December Guar Gum above 4390 with target of 4425. Stop loss at 4370.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- December Guar Seed above 1680 with target of 1700. Stop loss near 1670.

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

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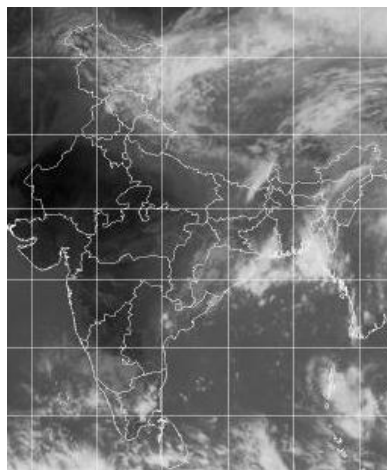
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	18.10.07	17.10.07	Change
Guar Seed	Bikaner	1610-15	1635	-20
	Jodhpur	1725	1750	-25
	Nokha	NA	NA	-
Guar Gum	Sri Ganganagar	1584	1601	-15
	Jodhpur	4250	4300	-50

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	November	1704	1730	1698	1729	1708	+21
	December	1737	1772	1734	1770	1744	+26
	January	1775	1808	1768	1806	1775	+31
Guar Gum	November	4279	4305	4240	4300	4278	+22
	December	4311	4394	4311	4385	4345	+40
	January	4410	4462	4410	4462	4415	+47

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 18.10.07)**



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