

## ■ GUAR SEED

■ 16th, Oct. 2007

**SPOT MARKETS:**

Guar seed prices recovered on Monday after witnessing some weakness towards the end of last week on buying support at lower levels. Expectations of EU team's report coming positive for Indian exports also supported the prices to some extent. The team is expected to submit report in next seven eight days and most of the market players are expecting it to come in favour of Indian exports. Once the report comes as expected, the demand will increase tremendously. Currently, the poor quality seeds and indecision over the EU issue is keeping the stockists slightly quiet. Arrivals of around 30000 bags were seen in the market on Monday as against 35000 bags on Saturday. The millers are buying actively at this stage giving support to the prices. Further, with the passage of time, concerns over dry spell of weather in western Rajasthan is building slowly as the crop is in pod bearing stage and it needs one shower before maturity. If this crop fails to get the much-needed rain ahead of maturity, the yield and production will suffer. With the crop in main producing region of Rajasthan being in the fields, arrival pressure is not likely to build much. In such a scenario the downside potential of the prices seems limited.

**FUTURES MARKETS (NCDEX & MCX):**

Guar seed and guar gum futures traded firm on the first trading day of the week as buying support at lower levels pushed the prices higher. NCDEX Guar seed Nov contract opened steady at Rs1675/qrtl. Thereafter it traded mostly firm in the range of Rs 1675-1714/qrtl before closing the session with healthy gains at Rs 1705/qrtl. NCDEX Oct traded firm between Rs 1647-1679/qrtl during the session. Guar gum NCDEX Nov firmed after a weak opening. The contract started at Rs 4215/qrtl and traded between Rs 4215-4317/qrtl. The session closed at Rs 4300/qrtl. The October contract traded between Rs 4160-4225/qrtl.

**PRICE DRIVERS:**

- Market is expecting EU team's report positive
- Harvesting gathering momentum in Sriganganagar
- 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 jumped above short term and medium term EMAs, which is a positive sign. Bullish long day pattern of candlestick shows dominance of bulls. MACD is showing some improvement in bullish momentum. RSI is also supporting bulls in normal region.

**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.	1675	1697	1714	1744	1760
NCDEX Guar Gum Nov.	4226	4260	4305	4361	4381
MCX Guar Seed Nov.	1663	1673	1691.5	1728	1749

**INTRADAY TRADE RECOMMENDATION (NCDEX):**

**BUY** NCDEX- November Guar Seed above 1711 with target of 1729 and then 1736. Stop loss at 1695.

**BUY** NCDEX- November Guar Gum above 4290 with target of 4330 and then 4350. Stop loss at 4265.

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

**INTRADAY TRADE RECOMMENDATION (MCX):**

**BUY** MCX- November Guar Seed above 1680 with target of 1700 and then 1710. Stop loss near 1668.

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

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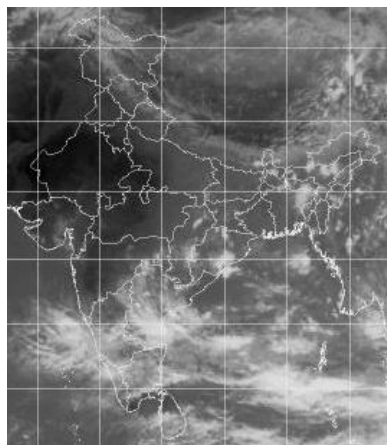
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	15.10.07	13.10.07	Change
Guar Seed	Bikaner	1650	1605-1610	+40
	Jodhpur	1750	1725	+25
	Nokha	1670-80	1650	+20
Guar Gum	Sri Ganganagar	1550	1525-30	+20
	Jodhpur	4300	4250	+50

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1650	1679	1647	1672	1646	+26
	November	1675	1714	1675	1705	1676	+29
	December	1707	1747	1707	1739	1707	+32
Guar Gum	October	4160	4225	4160	4213	4160	+53
	November	4215	4317	4215	4300	4238	+62
	December	4336	4385	4336	4370	4320	+50

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 15.10.07)**



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