

## ■ GUAR SEED

■ 13th, Oct. 2007

### SPOT MARKETS:

Guar seed prices remained steady to slightly firm at most of the centers in the absence of fresh inputs to the market. The arrivals remained steady at 40000-45000 bags on Friday. Demand improved marginally with quality of seeds reaching the markets improved slightly. Once the good quality seed reaches the market the stockists will hop on the fresh produce looking at the future strong demand and firm prices. Knowing the poor crop in Pakistan, market players are well averse about the future demand for the Indian stuff despite the costlier rupee as the potential supplies from Pakistan is limited. Currently the smart stockists are gradually filling their empty godowns with selective good quality stuffs. Millers on the other hand are focusing on the cheaper quality produce as the demand for bye products viz Churi and Korma remains healthy. As the crop is delayed in the major producing region of Rajasthan i.e. the western part of the state and thus the arrival pressure is not building much. Overall, the downside limit of the prices is limited as once the quality produce start hitting the market yards, exporters and stockists will jump on them. In a short run the prices might remain range bound.

### FUTURES MARKETS (NCDEX & MCX):

Guar seed and guar gum futures witnessed losses during Friday's session. NCDEX Guar seed Nov contract opened weak at Rs1701/qttl. Thereafter tried to recover and went highest to Rs 1706/qttl, however failed to sustain around that level and fell to end at the days low of Rs 1685/qttl. NCDEX Oct traded weak between Rs 1655-1674/qttl during the session, MCX Oct Guar seed opened firm and thereafter fell to close at Rs 1615.. Guar gum NCDEX Nov weakened after opening firm. The contract started at Rs 4310/qttl, since then started dropping and was seen lowest at Rs 4255/qttl. The session closed at the days lowest of Rs 4255/qttl. NCDEX Guar gum Oct opened gap down at Rs 4205 and since then traded in a small range of Rs 4190-4214/qttl, before closing weak at Rs 4195/qttl.

### PRICE DRIVERS:

- § Harvesting gathering momentum in Sriganganagar
- § Sluggish demand from stockists
- § Arrivals in Haryana is increasing, 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
- § 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:

Candlestick shows bearish sentiments. The prices closed below short & medium term EMA favouring bears. MACD is rising in negative region, also appears in divergence with the prices. Stochastic is falling in normal region indicating weakness.

### OUTLOOK:

Guar futures may trade volatile with bearish bias.

NCDEX Guar Seed November Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Nov.	1654	1673	1685	1701	1723
NCDEX Guar Gum Nov.	4190	4220	4255	4310	4350
MCX Guar Seed Nov.	1641	1655	1665	1677	1685

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- November Guar Seed below 1689 with target of 1677 and then 1673. Stop loss at 1698.

**SELL** NCDEX- November Guar Gum below 4270 with target of 4230 and then 4215. Stop loss at 4298.

Do not carry forward the position until the next day.

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- November Guar Seed below 1666 with target of 1655. Stop loss near 1673.

Do not carry forward the position until the next day.

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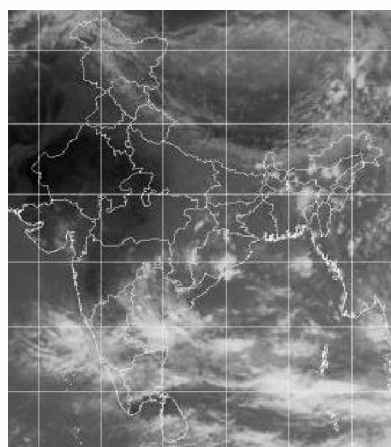
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.10.07	11.10.07	Change
Guar Seed	Bikaner	1625-30	1625-30	0
	Jodhpur	1730-35	1730-35	0
	Nokha	1660	1650	+10
	Sri Ganganagar	1540	1560	+20
Guar Gum	Jodhpur	4325	4325	0

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1672	1674	1655	1655	1672	-17
	November	1701	1706	1685	1685	1705	-20
	December	1733	1739	1716	1615	1737	-22
Guar Gum	October	4205	4214	4190	4195	4253	-58
	November	4310	4310	4255	4255	4298	-43
	December	4360	4370	4323	4323	4405	-82

SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 12.10.07)



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