

## ■ GUAR SEED

■ 27th Dec, 2007

### SPOT MARKETS:

Guar seed traded steady to slightly weak on Monday in the absence of any fresh input to the market. Steady arrivals of 30000-35000 bags of guar seed were seen in the market. Relatively subdued demand from stockists this year is keeping the market activity thin, especially when the exporters are also not very enthusiastic about the commodity on account of strong rupee. Rupee continues to strengthen against dollar after recent brief weakness. Export demand is likely to gather momentum after the first week of January when some fresh orders are expected. Currently exporters are shipping for their earlier commitments. Steady domestic guar production and declined production in Pakistan keeps the hopes alive for Indian guar market that demand would pick up eventually. According to the trade sources this year country is likely to ship addition 40000 tonnes of guar to the overseas market. The prices are expected to remain range bound in a short run.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar Seed and Guar Gum futures wiped out all the initial gains of the session to close with losses. NCDEX March delivery Guar seed futures opened firm at Rs 1765 and then surged to see the highs of Rs 1776. However the prices couldn't sustain those higher levels and dipped to the lows of Rs 1748 per quintal before finally closing at Rs 1753 per quintal. Guar Gum March expiry futures opened gap up at Rs 4425 and then traded mostly weak in the range of Rs 4363-4425 before finally closing at Rs 4373 per quintal.

### PRICE DRIVERS:

- Strong rupee hurting the margins of exporters
- Slight decline in arrivals
- Expectation of lower production in Pakistan
- Good demand from stockists
- Shortage of quality seeds in the market

### WEATHER IMPACT:

Weather is not much significant as harvest is almost over.

### TECHNICALS:

Guar chart is displaying slight weakness in the market. The prices have closed below short term and medium term EMAs, which supports bears. Stochastic is running upwards in normal region. MACD is showing decreasing bearish momentum.

**OUTLOOK:** The prices are likely to see volatile movements with weak bias.

### NCDEX Guar Seed March Contract:



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

| Contract              | S2   | S1   | PCP  | R1   | R2   |
|-----------------------|------|------|------|------|------|
| NCDEX Guar Seed March | 1733 | 1740 | 1753 | 1780 | 1789 |
| NCDEX Guar Gum March  | 4323 | 4349 | 4373 | 4411 | 4425 |

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- March Guar Seed below 1763 with target of 1744 and then 1740. Stop loss at 1773.

**SELL** NCDEX- March Guar Gum below 4390 with target of 4352. Stop loss at 4412.

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

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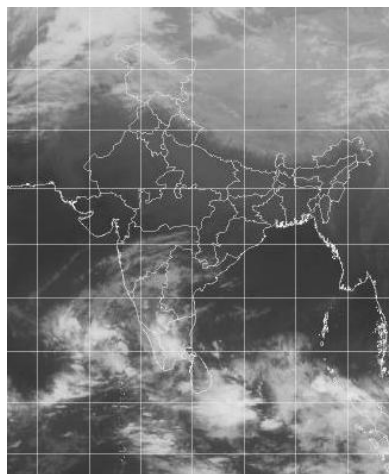
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

| Commodity | Centres        | 26.12.07 | 24.12.07  | Change |
|-----------|----------------|----------|-----------|--------|
| Guar Seed | Bikaner        | 1620     | 1620      | -      |
|           | Jodhpur        | 1690     | 1700-1710 | -10    |
|           | Nokha          | 1620     | 1620      | -      |
|           | Sri Ganganagar | 162-1670 | 1670      | -      |
| Guar Gum  | Jodhpur        | 4225     | 4200-4225 | -      |

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

| Commodity | Contract Month | Open | High | Low  | Last Trade Price | Previous Close | Change |
|-----------|----------------|------|------|------|------------------|----------------|--------|
| Guar Seed | January        | 1666 | 1683 | 1661 | 1665             | 1672           | -7     |
|           | March          | 1765 | 1773 | 1748 | 1753             | 1764           | -11    |
|           | April          | 1808 | 1817 | 1790 | 1795             | 1805           | -10    |
| Guar Gum  | January        | 4225 | 4225 | 4175 | 4182             | 4208           | -26    |
|           | March          | 4425 | 4425 | 4363 | 4373             | 4394           | -21    |
|           | April          | 4510 | 4510 | 4461 | 4475             | 4508           | -33    |

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 24.12.07)**



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