

## ■ GUAR SEED

■ 24th Dec, 2007

**SPOT MARKETS:**

Guar traded mostly firm on Saturday as signs of declining arrivals pushed the prices higher. Arrivals of 30000-35000 bags were seen in the market. The market is still waiting for vigor on export front where demand is subdued ahead of Christmas and New Year holidays. EU team's final report contamination issue of Indian guar gum is expected to come shortly, which might improve demand from exporters if comes positive. Meanwhile, lower prices seem finally started retarding the arrivals in domestic markets, however if prices again inches higher on tight supplies, it might induce the farmers to come to the market yards with their stuff, making it a vicious circle. In such a case the prices might remain range bound until the export demand improves enough to push the prices in a higher band. The traders are expecting activities in export market to increase in the beginning of New Year. The prices are expected to remain range bound in a short run.

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

NCDEX Guar Seed and Guar Gum futures traded firm on Saturday. NCDEX March delivery Guar seed futures opened firm at Rs 1767 and then surged to see the highs of Rs 1786 before finally closing at Rs 1773 per quintal. Guar Gum March expiry futures opened firm at Rs 4425 and then traded mostly firm in the range of Rs 4410-4460 before finally closing at Rs 4431 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 firmness in the market. The prices have closed above short term and medium term EMA, which supports bulls. Stochastic is running upwards in normal region. MACD is showing decreasing bearish momentum.

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

**NCDEX Guar Seed March Contract:****SUPPORT / RESISTANCES (NCDEX and MCX):**

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed March	1755	1764	1773	1790	1795
NCDEX Guar Gum March	4376	4398	4431	4460	4484

**INTRADAY TRADE RECOMMENDATION (NCDEX):**

**BUY** NCDEX- March Guar Seed above 1765 with target of 1782 and then 1788. Stop loss at 1755.

**BUY** NCDEX- March Guar Gum above 4415 with target of 4450 and then 4460. Stop loss at 4397.

Do not carry forward the position until the next day.

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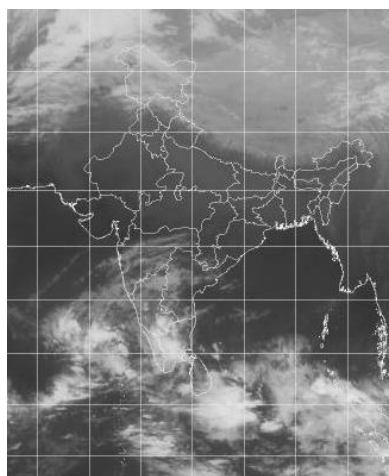
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	22.12.07	21.12.07	Change
Guar Seed	Bikaner	1620-1625	1600	+20
	Jodhpur	1725	1700	+25
	Nokha	1660	1630-1640	+20
	Sri Ganganagar	1660	1640	+20
Guar Gum	Jodhpur	4250-4275	4225-4250	+25

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	January	1675	1690	1672	1679	1675	+4
	March	1767	1786	1763	1773	1765	+8
	April	1807	1828	1804	1815	1805	+10
Guar Gum	January	4218	4260	4211	4225	4205	+20
	March	4425	4460	4410	4431	4405	+26
	April	4425	4558	4425	4530	4492	+38

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 22.12.07)**



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