

■ GUAR SEED

■ 26th Dec, 2007

SPOT MARKETS:

Guar seed traded slightly weak in conjunction with guar-gum on the first trading day of the week. Guar gum prices declined as renewed firmness in rupee dulled the expectations of rekindling of exports demand. Rupee strengthened to Rs 39.44 per dollar from Rs 39.54 per dollar on Saturday. Arrivals of 30000-35000 bags were seen in the market. Indian guar exporters are expecting some good fresh demand from 10 January onwards. Currently they are supplying guar products to overseas buyers for their earlier commitments. Meanwhile, demand from stockists and millers continue to remain subdued in domestic markets. According to the market talks guar production in Pakistan is expected to decline 25%, which raised the expectations that Indian guar might eventually see some healthy overseas demand as India and Pakistan are the two main suppliers of guar in the global markets. The prices are expected to remain range bound in a short run.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar Seed and Guar Gum futures traded volatile with bearish bias on Monday. NCDEX March delivery Guar seed futures opened weak at Rs 1770 and then surged to see the highs of Rs 1777 before finally closing at Rs 1761 per quintal. Guar Gum March expiry futures opened gap down at Rs 4361 and then traded mostly weak in the range of Rs 4361-4434 before finally closing at Rs 4390 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	1740	1746	1761	1780	1789
NCDEX Guar Gum March	4323	4349	4390	4433	4449

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- March Guar Seed above 1753 with target of 1771 and then 1779. Stop loss at 1743.

BUY NCDEX- March Guar Gum above 4371 with target of 4409 and then 4425. Stop loss at 4348.

Do not carry forward the position until the next day.

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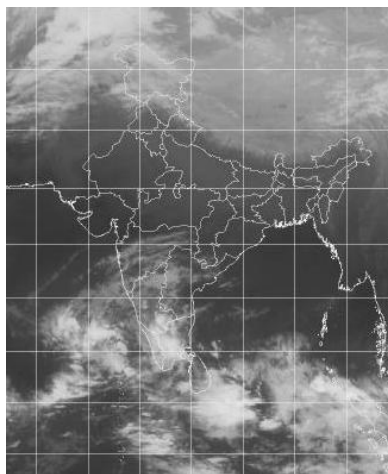
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	23.12.07	22.12.07	Change
Guar Seed	Bikaner	1620	1620-1625	-5
	Jodhpur	1710	1720	-10
	Nokha	1620	1620-1630	-10
	Sri Ganganagar	1670	1660	+10
Guar Gum	Jodhpur	4200-4225	4250-4275	-25

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	January	1677	1683	1664	1668	1681	-13
	March	1670	1677	1753	1761	1775	-14
	April	1814	1820	1791	1803	1818	-15
Guar Gum	January	4210	4138	4185	4208	4237	-19
	March	4361	4434	4361	4390	4448	-58
	April	4515	4522	4475	4485	4545	-60

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



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