

■ GUAR SEED

■ 6th Dec, 2007

SPOT MARKETS:

Guar prices remained mostly steady in different markets on Wednesday in the absence of fresh fundamental developments. The arrivals continue to hover around 40000 bags levels, which in turn are ruling out any significant firmness in the prices. The current supplies are healthy and demand is subdued from stockists as well as exporters. The guar prices are not likely to see any firmness until the arrivals declines. The failure of exporters to bid higher in domestic market due to small margins seems the main reason behind subdued guar prices this year. Supply demand scenario in guar market is not much different from the previous year, but it is the exchange rate, which is making difference. Expect the prices to remain range bound in a short run until supplies start shrinking.

FUTURES MARKETS (NCDEX & MCX):

Guar Seed futures at NCDEX traded volatile on Wednesday in the absence of any clear signals from the physical markets. The most active January contract opened firm at Rs.1695 per quintal and then prices surged to the highs of Rs 1704/ql. However, the prices couldn't sustain those higher levels and slipped down to the lows of Rs 1687/ql before finally closing at Rs 1692/ql. The guar gum futures also traded in similar fashion. January guar gum futures at NCDEX traded volatile in the range of Rs 4255-4289/ql before closing at Rs 4268/ql with a modest gain of Rs 3.

PRICE DRIVERS:

- Healthy arrivals of guar seeds
- Subdued export demand of guar gum
- Expectation of lower production in Pakistan
- Good demand from millers
- Shortage of quality seeds in the market

WEATHER IMPACT:

Scattered rains expected in Haryana and Punjab might affect the arrivals there.

TECHNICALS:

Candlestick shows indecision in the market. Prices closed just below short term and medium term EMA, which supports bears. MACD is showing slight decrease in bearish momentum. Stochastic is heading downwards.

OUTLOOK: The prices are likely to see volatile action.

NCDEX Guar Seed December Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Jan.	1659	1668	1692	1713	1730
NCDEX Guar Gum Jan.	4200	4239	4268	4325	4340

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- January Guar Seed below 1685 with target of 1668. Stop loss at 1694.

SELL NCDEX- January Guar Gum below 4260 with target of 4220. Stop loss at 4285.

Do not carry forward the position until the next day.

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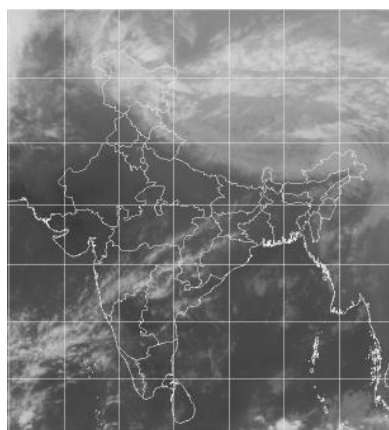
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	04.12.07	03.12.07	Change
Guar Seed	Bikaner	1600	NA	-
	Jodhpur	1690	1690	-
	Nokha	1610	1610	-
	Sri Ganganagar	1570	1581	-11
Guar Gum	Jodhpur	4225	4225	-

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1650	1656	1643	1646	1648	-2
	January	1695	1704	1687	1692	1693	-1
	March	1781	1789	1771	1773	1779	-6
Guar Gum	December	4190	4190	4165	4180	4172	+8
	January	4270	4289	4255	4268	4265	+3
	March	4450	4459	4427	4440	4438	+2

**SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 06.12.07)**



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