

■ GUAR SEED

■ 4th Dec, 2007

SPOT MARKETS:

Guar prices remained steady to slightly firm on Monday as marginal improvement demand supported the prices. Arrivals continue to remain key in the guar market at this stage when the export demand is not giving much support to the prices. Current supplies are enough to fulfill the routine demand. The prices might remain range bound until arrivals decline significantly or export demand improves. With the completion of harvest in Punjab, Haryana and northern Rajasthan, the arrivals in these regions are shrinking gradually. On the other hand, progress of harvest in western Rajasthan is increasing the arrivals in the markets in these regions. However, as the production in western Rajasthan is expected to decline this year due to decline in acreage, the region is not likely to counterbalance the decline in arrivals from other regions, which might support the prices in coming time. The market is expecting higher export of guar products this year from India due to expected decline in production in Pakistan.

FUTURES MARKETS (NCDEX & MCX):

Guar Seed futures at NCDEX traded volatile on the first trading day of the week. The most active January contract opened weak at Rs.1706 per quintal and then prices surged to the highs of Rs 1728/qrtl. However, the prices couldn't sustain those higher levels and slipped down to the lows of Rs 1697/qrtl before finally closing at Rs 1698/qrtl. The guar gum futures also traded in similar fashion. January guar gum futures at NCDEX traded volatile in the range of Rs 4271-4330/qrtl before closing at Rs 4275/qrtl with a moderate loss of Rs 23.

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:

Long upper shadow of candlestick shows tentativeness at higher levels. Prices closed just below short term and medium term EMA, which supports bears. MACD is showing slight increase in bullish momentum. Stochastic has made bearish crossover in overbought region.

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.	1668	1693	1698	1727	1737
NCDEX Guar Gum Jan.	4200	4265	4275	4331	4351

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- January Guar Seed below 1693 with target of 1680 and then 1770. Stop loss at 1700.

SELL NCDEX- January Guar Gum below 4265 with target of 4235 and then 4215. Stop loss at 4268.

Do not carry forward the position until the next day.

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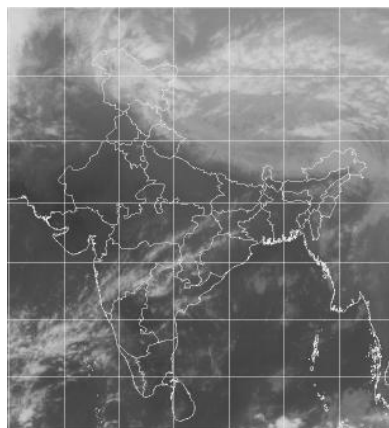
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	03.12.07	01.12.07	Change
Guar Seed	Bikaner	1775	1570-1575	-
	Jodhpur	1710-1715	1690-1700	+10
	Nokha	1610-1615	1590-1600	+10
	Sri Ganganagar	1587	1600	-13
Guar Gum	Jodhpur	4275	4250	+25

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1662	1678	1652	1654	1666	-12
	January	1706	1728	1697	1698	1712	-14
	March	1795	1816	1783	1783	1802	-19
Guar Gum	December	4192	4230	4180	4180	4187	-7
	January	4285	4330	4271	4275	4298	-23
	March	4460	4510	4445	4446	4472	-26

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 03.12.07)



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