

■ GUAR SEED

■ 20th Dec, 2007

SPOT MARKETS:

Guar prices inched slightly higher on Wednesday at majority of the trading centers on marginal improvement in demand at lower levels. Recent weakness in rupee against dollar has given some breathing space to the exporters and if this weakness extends further, demand from exporters would improve. The activities on export front are likely to remain subdued ahead of Christmas and year and holidays. The export activities are expected to improve in January onwards which will push the domestic prices higher. In the meantime the prices are expected to remain range bound. Arrivals continue to remain healthy and stockists are enjoying high bargaining power in the absence of active buying by exporters. In the futures market the action is likely to remain thin on Thursday with December contract expiring. High warehouse stock will keep the speculative longs under pressure to avoid delivery. The prices are likely to see some firmness after the expiry of the contract.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar Seed and Guar Gum futures traded volatile in a range on Wednesday. NCDEX January delivery guar seed futures traded between Rs 1642-1654 a quintal and then finally ended almost unchanged at Rs 1647 per quintal. Guar Gum January expiry futures prices also traded in a similar fashion. NCDEX January guar gum futures traded in the range of Rs 4129-4165 per quintal before finally closing the session at Rs 4145 per quintal.

PRICE DRIVERS:

- Strong rupee hurting the margins of exporters
- Subdued export demand of guar gum
- Expectation of lower production in Pakistan
- Good demand from stockists
- Shortage of quality seeds in the market

WEATHER IMPACT:

Weather conditions in western Rajasthan has improved and is conducive for harvest and post harvest of guar seed.

TECHNICALS:

The prices continue to hold below short and medium term EMA's, which supports bears. MACD is running flat in negative zone. Stochastic is heading upwards in oversold region.

OUTLOOK: The prices are likely to see range bound movements.

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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Jan.	1620	1630	1647	1669	1678
NCDEX Guar Gum Jan.	4089	4105	4145	4184	4201

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- January Guar Seed above 1642 with target of 1660 and then 1667. Stop loss at 1632.

BUY NCDEX- January Guar Gum above 4130 with target of 4160 and then 4175. Stop loss at 4114.

Do not carry forward the position until the next day.

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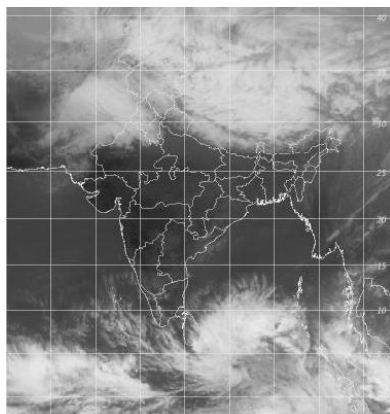
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	19.12.07	18.12.07	Change
Guar Seed	Bikaner	1580	1560-1570	+10
	Jodhpur	1675-1680	1660-1665	+10
	Nokha	1610	1600	+10
	Sri Ganganagar	1530	1510	+20
Guar Gum	Jodhpur	4175	4150	+25

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1653	1654	1642	1647	1648	-1
	January	1732	1735	1724	1731	1728	+3
	March	1773	1774	1762	1770	1768	+2
Guar Gum	December	4141	4165	4129	4115	4137	+8
	January	4310	4324	4282	4311	4307	+4
	March	4310	4415	4340	4403	4405	-2

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 19.12.07)



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