

■ GUAR SEED

■ 1st Jan, 2008

SPOT MARKETS:

Guar traded slightly firm on the first trading day of the week as some buying emerged at lower levels. Supplies continue to remain healthy in domestic markets. Around 40000-45000 bags of guar seed were seen in the market. The market is waiting for export demand to improve in the New Year. Some fresh orders are expected in the early part of January, which would give support to the prices. Looking at the continued firmness in the domestic currency guar prices are not likely to enjoy the level of firmness it enjoyed last year. Still, some premiums are expected in the off-season when the arrivals decline. Declined production in Pakistan might also lend some firmness to the Indian guar prices as export demand is expected to remain good this year.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar Seed and Guar Gum futures recouped all the initial gains to close with moderate gains on Monday. NCDEX March delivery Guar seed futures opened slightly firm at Rs 1710 and then dipped to the lows of Rs 1694 per quintal. The contract then recovered as buying emerged at lower levels and close at Rs 1722 per quintal. NCDEX March guar gum futures traded in the range of Rs 411-4280 per quintal before finally closing the session at Rs 4272 per quintal with a gain of Rs 36.

PRICE DRIVERS:

- Strong rupee hurting the margins of exporters
- Steady arrivals in the market
- 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:

Long shadows of candlestick show indecision in the market. The prices have closed below short term and medium term EMAs, which supports bears. Stochastic is running down in normal region. MACD is showing bearish momentum.

OUTLOOK: The prices are likely to see volatile movements.

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed March	1685	1695	1722	1744	1752
NCDEX Guar Gum March	4210	4240	4272	4311	4325

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- March Guar Seed above 1715 with target of 1732 and then 1739. Stop loss at 1705.

BUY NCDEX- March Guar Gum above 4255 with target of 4292 and then 4304. Stop loss at 4225.

Do not carry forward the position until the next day.

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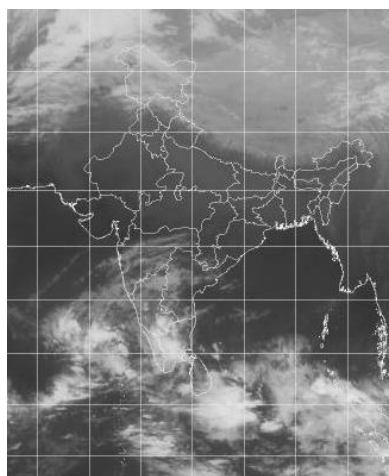
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	31.12.07	29.12.07	Change
Guar Seed	Bikaner	1570-1575	1560-1570	+5
	Jodhpur	1690	1675	+15
	Nokha	1580	1570	+10
	Sri Ganganagar	1550	1540	+10

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	January	1628	1643	1611	1634	1626	+8
	March	1710	1732	1694	1722	1708	+14
	April	1752	1771	1725	1763	1748	+15
Guar Gum	January	4041	4095	4040	4090	4072	+18
	March	4218	4280	4211	4272	4236	+36
	April	4314	4370	4314	4365	4338	+27

**SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 31.12.07)**



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