

## ■ GUAR SEED

■ 12th Dec, 2007

**SPOT MARKETS:**

Guar traded steady on Tuesday on steady demand supply scenario. Steady arrivals of 40000 bags were seen in the market yards despite scattered rains in some patches of Rajasthan. Traders are expecting arrivals to remain healthy during most part of this month, which in turn might keep the prices range bound. The market seems in indecision over the guar seed production this year. Traders are divided over the quantum of guar production this year with estimates ranging between 80 lakh bags to 100 lakh bags. But as untimely rains affect a large chunk of the guar crop during maturity period, especially in northern Rajasthan, availability of quality seeds is poor this year. Currently, supplies and lack of strong demand are containing the prices, but the prices are expected to inch higher once the arrivals start declining. Expect the prices to remain range bound in a short run and then gradually increase as the arrivals decrease.

**FUTURES MARKETS (NCDEX & MCX):**

Guar Seed and Guar Gum futures at NCDEX traded volatile with bullish bias on Tuesday. The most active January Guar Seed contract opened steady at Rs.1677 per quintal and then the contract traded in the range of Rs before before finally closing at Rs 1682 per quintal at a modest loss of Rs 6. Guar Gum futures also traded in similar fashion. NCDEX January guar gum futures traded in the range Rs 4205-4210 per quintal and closed the session at Rs 4225 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:**

Scattered rains in Rajasthan and Haryana is not likely to affect arrivals much.

**TECHNICALS:**

Guar seed is trading sideways. The prices have closed below short and medium term EMA's, which supports bears. MACD is rising in negative zone revealing decrease in bearish momentum. RSI and Stochastic Oscillator are moving upwards in normal region indicating firmness.

**OUTLOOK:** The prices are likely to move volatile with firm bias during the session.

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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Jan.	1659	1668	1682	1693	1704
NCDEX Guar Gum Jan.	4185	4200	4225	4255	4275

**INTRADAY TRADE RECOMMENDATION (NCDEX):**

**BUY** NCDEX- January Guar Seed above 1679 with target of 1690 and then 1695. Stop loss below 1672.

**BUY** NCDEX- January Guar Gum above 4215 with target of 4241 and then 4254. Stop loss below 4200.

**Do not carry forward the position until the next day.**

## ■ GUAR SEED

■ 12th Dec, 2007

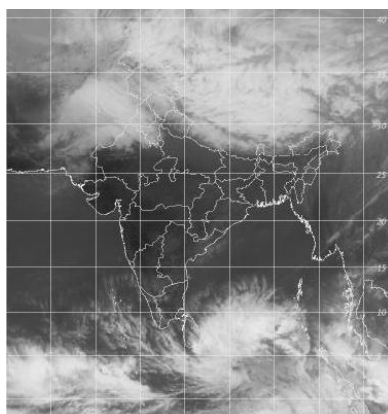
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.12.07	10.12.07	Change
Guar Seed	Bikaner	1580	1590	-10
	Jodhpur	1680	1680	-
	Nokha	1605	1605-1610	-
	Sri Ganganagar	1540	1540-1545	-
Guar Gum	Jodhpur	4175	4200	-25

### NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1632	1644	1627	1638	1630	+8
	January	1677	1692	1670	1682	1676	+6
	March	1753	1772	1749	1763	1755	+8
Guar Gum	December	4121	4143	4102	4125	4139	-14
	January	4219	4248	4205	4225	4215	+10
	March	4389	4415	4370	4394	4387	+7

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 11.12.07)**



#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd