

■ GUAR SEED

■ 3rd Dec, 2007

SPOT MARKETS:

Guar prices remained mostly steady in different spot markets on Saturday eased on Friday on improved arrivals in different markets. Healthy arrivals continue to contain the prices as demand is not encouraging at this stage. However, the guar seed prices might find support from the demand from stockists if the arrivals decline. 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. But strong rupee and EU's contamination issue are currently hurting the market sentiments on export front. In such a scenario, market might remain range bound with bullish bias in short run waiting for rekindling in export demand.

FUTURES MARKETS (NCDEX & MCX):

Guar Seed futures at NCDEX traded volatile on the last trading day of the week. The most active January contract opened weak at Rs.1710 per quintal and then prices dipped to the lows of Rs 1697/qrtl. However, buying support at lower levels pushed the prices to Rs 1717 levels before finally closing at Rs 1714/qrtl. The guar gum futures also traded in similar fashion. January guar gum futures at NCDEX traded volatile in the range of Rs 4265-4315/qrtl before closing at Rs 4300/qrtl with a marginal gain of Rs 8.

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 lower shadow of candlestick shows tentativeness at lower levels. Prices closed just above short term and medium term EMA, which supports bulls. MACD is showing slight increase in bullish momentum. RSI is running upwards in normal region. Whereas overbought levels of stochastic warrants caution to bulls.

OUTLOOK: The prices are likely to show some recovery.

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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Jan.	1668	1693	1714	1738	1748
NCDEX Guar Gum Jan.	4200	4234	4300	4351	4379

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- January Guar Seed above 1707 with target of 1726 and then 1734. Stop loss at 1696.

BUY NCDEX- January Guar Gum above 4288 with target of 4322 and then 4338. Stop loss at 4268.

Do not carry forward the position until the next day.

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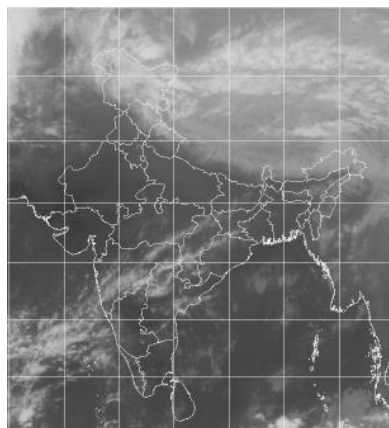
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	01.12.07	30.11.07	Change
Guar Seed	Bikaner	1570-1575	1580	-5
	Jodhpur	1690-1700	1700	-
	Nokha	1590	1590-1600	-
	Sri Ganganagar	1600-1610	1610	-
Guar Gum	Jodhpur	4250	4250	-

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1659	1672	1651	1667	1663	+4
	January	1710	1717	1697	1714	1711	+3
	March	1795	1807	1782	1801	1798	+3
Guar Gum	December	4180	4210	4175	4205	4212	-7
	January	4270	4315	4365	4300	4292	+8
	March	4450	4484	4440	4470	4489	-19

**SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 01.12.07)**



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