

## ■ GUAR SEED

■ 18th Dec, 2007

### SPOT MARKETS:

Guar prices remained steady to slightly weak at most of the trading centers on Monday on healthy supplies and normal demand. The arrivals of 40000-45000 bags were seen in the market. Renewed weakness in rupee on Monday eased some of the pressure on exporters. The domestic currency declined 0.5% on Monday to Rs 39.54 per dollar. Strong rupee has squeezed the margins of exporters this year. Healthy arrivals in conjunction with subdued demand from millers, stockists and exporters have kept the prices on the softer side so far. However, as the arrivals are expected to decline in coming weeks the prices are likely to find some support. Export demand is also expected to speed up in the coming time. In the futures market, huge stocks to the tune of 45333 tonnes at NCDEX warehouse is pressuring speculative buyers to square off their positions before expiry of the December contract to avoid delivery. The prices might remain weak till the expiry of current month contract thereafter some recovery is likely.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar Seed and Guar Gum futures prices moved volatile during Monday's session. NCDEX January delivery Guar seed futures traded between Rs 1633-1660 a quintal and then finally ended weak at Rs 1643 per quintal. Guar Gum January expiry futures prices also traded in a similar fashion. NCDEX January guar gum futures went down by Rs 19 to close at Rs 4125 a quintal. The prices remained in the price band of Rs 4107-4169 per quintal during the session.

### 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:

Guar chart is displaying a downtrend. Candlestick pattern reveals indecision. The prices continue to hold below short and medium term EMA's, which supports bears. MACD is falling in negative zone revealing bearish momentum in the market. RSI and Stochastic Oscillator are in oversold region, warranting caution to the bears.

**OUTLOOK:** The prices may remain volatile with chances of late downward movement.

### NCDEX Guar Seed January Contract:



### SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Jan.	1620	1630	1643	1660	1668
NCDEX Guar Gum Jan.	4089	4100	4125	4150	4185

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- January Guar Seed below 1650 with target of 1635 and then 1630. Stop loss at 1658.

**SELL** NCDEX- January Guar Gum below 4140 with target of 4105 and then 4090. Stop loss at 4160.

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

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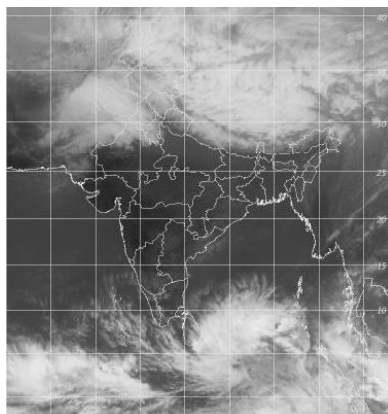
### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	17.12.07	15.12.07	Change
Guar Seed	Bikaner	1560	1570	-10
	Jodhpur	1650	1660	-10
	Nokha	1600	1600	-
	Sri Ganganagar	1520	1520	-
Guar Gum	Jodhpur	4100-4125	4100-	-

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1582	1600	1582	1590	1593	-3
	January	1646	1660	1633	1643	1649	-6
	March	1731	1740	1712	1722	1729	-7
Guar Gum	December	4030	4080	4026	4039	4029	+10
	January	4146	4169	4107	4125	4144	-19
	March	4316	4330	4279	4288	4313	-25

**SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 17.12.07)**



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