

## ■ GUAR SEED

■ 22nd Dec, 2007

**SPOT MARKETS:**

Guar traded mostly firm on Friday as lower arrivals pushed the prices higher. Arrivals of 35000 bags were seen in the market against 40000 bags on Thursday. Slight decline in arrivals to the tune of 35000 to 40000 supported as demand remained normal. Subdued activity in exports markets ahead of holidays suggests that the prices are mainly being driven by domestic demand at this stage. The key focus of the guar market still remains the currency markets and developments on export front. EU team's final report on contamination issue of Indian guar gum is expected to come shortly. If the report comes positive as expected by the market, the exporters might become active in the markets again. Signs of decline in arrivals are also positive for the prices. But, according to the guar traders the farmers who are sitting on some good stocks, will again start bringing their stuff once the prices inch higher. That means this vicious circle might keep the prices range bound, until the export demand improves enough to rebalance supply pressure.

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

NCDEX Guar Seed and Guar Gum futures traded firm on Friday. NCDEX March delivery Guar seed futures opened weak at Rs 1747 and then surged to see the highs of Rs 1767 before finally closing at Rs 1764 per quintal. Guar Gum March expiry futures opened firm at Rs 4361 and then traded mostly firm in the range of Rs 4353-4410 before finally closing at Rs 4410 per quintal.

**PRICE DRIVERS:**

- Strong rupee hurting the margins of exporters
- Slight decline in arrivals
- 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:**

Guar chart is displaying firmness in the market. Bullish long day pattern of candlestick shows dominance of bulls. The prices have closed above short term and medium term EMA, which is a positive sign. Stochastic is running upwards in normal region. MACD is showing decreasing bearish momentum. Both volume and open interest increased during the session.

**OUTLOOK:** The prices are likely to see movements with positive bias.

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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed March	1734	1752	1764	1782	1790
NCDEX Guar Gum March	4361	4377	4410	4449	4461

**INTRADAY TRADE RECOMMENDATION (NCDEX):**

**BUY** NCDEX- March Guar Seed above 1758 with target of 1774 and then 1781. Stop loss at 1749.

**BUY** NCDEX- March Guar Gum above 4395 with target of 4430 and then 4440. Stop loss at 4377.

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

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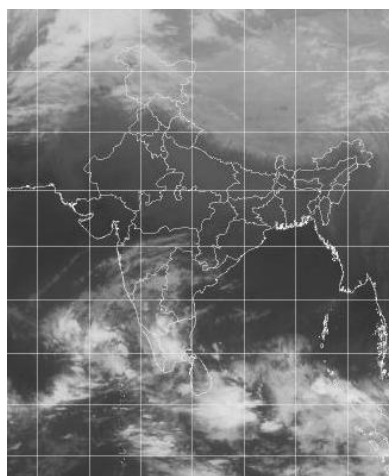
## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	21.12.07	20.12.07	Change
Guar Seed	Bikaner	1600	1580	+20
	Jodhpur	1700	1680	+10
	Nokha	1630-1640	1620	+10
	Sri Ganganagar	1640	1640	-
Guar Gum	Jodhpur	4225-4250	4200	+25

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	January	1665	1677	1653	1674	1648	26
	March	1647	1677	1646	1664	1731	33
	April	1790	1808	1687	1805	1771	34
Guar Gum	January	4185	4216	4173	4211	4145	66
	March	4360	4410	4353	4410	4310	100
	April	4450	4500	4450	4500	4440	60

SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 21.12.07)



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