

## ■ GUAR SEED

■ 10th Dec, 2007

### SPOT MARKETS:

Guar prices inched slightly higher amid better demand from stockists and steady supplies. Guar markets had arrivals of about 40,000-45,000 bags that are likely to continue to arrive in the similar range in the near term and thereafter decrease gradually. Stockists activity increased a bit in the guar market looking at the good prospects this year in the off-season. Though strong rupee might limit the gains in the prices this season, there is still some good scope on higher side in the coming months. The guar prices are ruling weak this season so far as compared to the last year despite steady production and some shortage of quality seeds, as exporters are not buying aggressively, thanks to strong rupee, which is hurting the margins of exporters. EU's quality issue has also added some bearishness in the guar market this season. The market is keenly waiting for final report from EU. According to the market participants, the prices might remain range bound in a short run and then gradually increase as the arrivals decrease.

### FUTURES MARKETS (NCDEX & MCX):

Guar Seed futures at NCDEX traded firm on the last trading day of the week as slight firmness in spot markets triggered buying at lower levels. The most active January contract opened slightly firm at Rs 1690 per quintal and then surged to the highs of Rs 1697 per quintal. The contract closed the session at Rs 16906 per quintal with a gain of Rs 16. The guar gum futures also traded in similar fashion. January guar gum futures at NCDEX traded in the range of Rs 4223-4255/qlt before closing at Rs 4252/qlt with a gain of Rs 24.

### PRICE DRIVERS:

- Harvest in northern Rajasthan continues
- Strong domestic currency hurting exports
- 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:

Dry weather in western Rajasthan is suitable for guar

### TECHNICALS:

Prices closed below short term and medium term EMAs, which supports bears. MACD is gradually inching higher in negative region, which shows decrease in bearish momentum. Stochastic is running down in normal region, whereas RSI is heading upwards in normal region.

**OUTLOOK:** The prices may remain volatile with bullish bias.

### NCDEX Guar Seed December Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Jan.	1661	1674	1690	1718	1728
NCDEX Guar Gum Jan.	4159	4200	4252	4327	4354

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- January Guar Seed above 1685 with target of 1705 and then 1712. Stop loss at 1673.

**BUY** NCDEX- January Guar Gum above 4238 with target of 4280 and then 4300. Stop loss at 4216.

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

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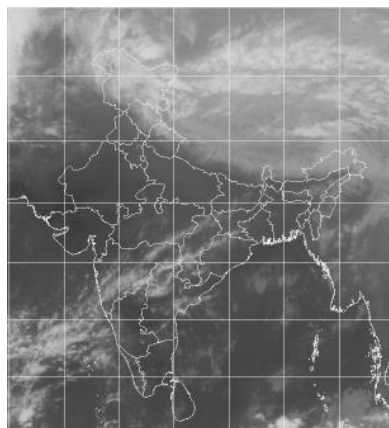
## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	08.12.07	07.12.07	Change
Guar Seed	Bikaner	1580-1585	1587	-
	Jodhpur	1690	1680	+10
	Nokha	1620	1600	+20
	Sri Ganganagar	1545	1540	+5
Guar Gum	Jodhpur	4225	4200	+25

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

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	December	1626	1649	1618	1643	1629	+14
	January	1674	1697	1673	1690	1674	+16
	March	1756	1777	1754	1770	1754	+16
Guar Gum	December	4115	4162	4115	4162	4145	+17
	January	4235	4255	4223	4252	4228	+24
	March	4400	4432	4390	4432	4395	+37

SATELLITE  
IMAGE OF  
MONSOON  
PROGRESS  
(As on 08.12.07)



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