



28th November, 2011

Guar Complex (Bullish)

Recommendation: Guar seed December NCDEX: Buy at 4873-4930 TP 5280 then 5320 SL 4770

Guar gum December NCDEX: Buy at 15200-15280 TP 16070 then 16590 SL 14850

Review: Guar seed and gum futures gained substantially during last week as arrivals hovered around 80000 bags compared to 100000 bags during last week. Spot prices also gained substantially by ₹300-400/quintal which had positive impact on prices. Millers and crushers were buying to meet their crushing requirements. Stockists were actively buying to refill their pipeline which had declined drastically during last year due to robust gum exports. Crushers and millers were buying in anticipation of export demand to be large as last time. Towards the end of the week news of export duty to be imposed and export subsidy to be reduced created panic buying in market due to which prices hit upper circuit levels though news was negative for prices.

Guar Seed

NCDEX (₹/Quintal)										
Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change	
Dec-11	4460.00	5107.00	4425.00	5030.00	12.50%	1896060	66.33%	160370	-9.04%	
Jan-12	4594.00	5215.00	4523.00	5132.00	12.15%	795160	213.52%	79930	39.11%	
Feb-12		4546.00	4162.00	4348.00	-4.36%	11620	139.09%	6540	38.85%	

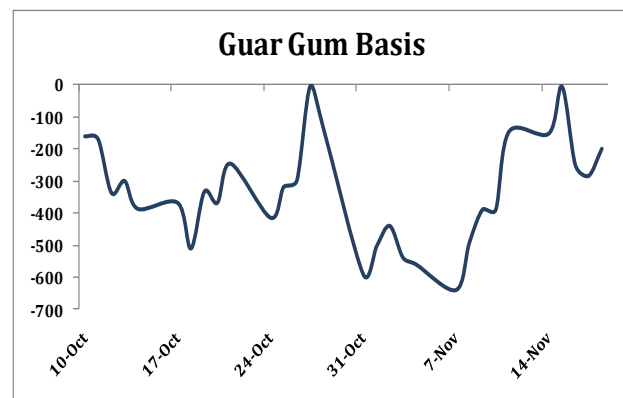
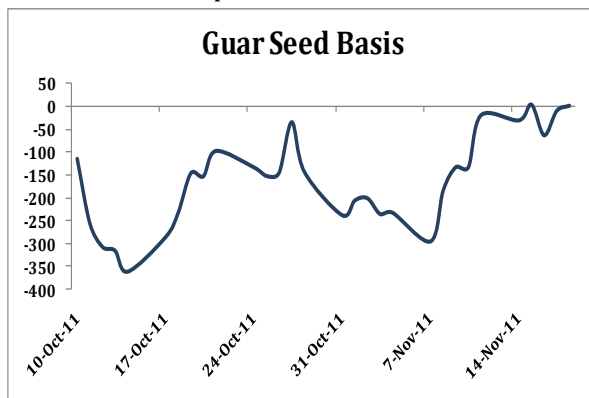
Guar Gum

NCDEX (Rs/Quintal)										
Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change	
Dec-11	14130.00	15985.00	13804.00	15635.00	10.64%	112840	23.15%	16665	-13.59%	
Jan-12		14144.00	12870.00	13686.00	-3.24%	19415	123.80%	9360	106.85%	
Feb-12	14450.00	16322.00	14281.00	16031.00	10.69%	4505	127.53%	955	315.22%	

Spread Matrix				
	Spot	Dec-11	Jan-12	Feb-12
Spot	0			
Dec-11	-150.35	0.00		
Jan-12	-252.35	102.00	0.00	
Feb-12	531.65	-682.00	-784.00	0.00

Spread Matrix				
	Spot	Dec-11	Jan-12	Feb-12
Spot	0			
Dec-11	42.80	0.00		
Jan-12	1991.80	-1949.00	0.00	
Feb-12	-353.20	396.00	396.00	0.00

*Basis= Futures- Spot



Outlook: Guar seed and gum futures might extend gains during next week as brisk buying in physical markets is supporting the prices. Stockist involvement in bulk buying might have positive impact on spot prices as well as futures. Guar gum exports India Apr-Jul increased to 193,802 million tons compared to



102,831 million tons a year ago during same period. Confirmations about the export duties and subsidies are awaited from the directorate general of foreign trade which might have to be closely watched out for.

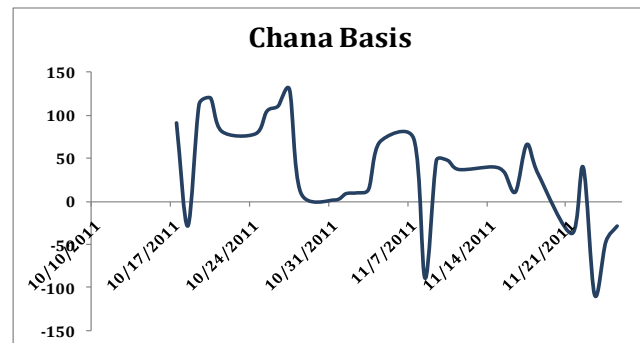
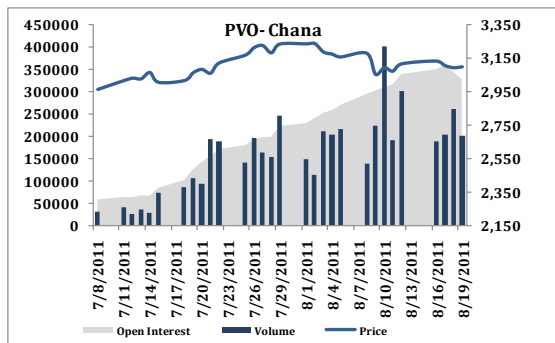
CHANA (Bearish)

Recommendation: Chana December NCDEX: Sell at 3421-3441 TP 3318 then 3163 SL 3525

Review: Chana futures declined drastically during last week as the acreage data started reaching market participants. Acreage under chana increased by 25% in rajasthan regions and Madhya pradesh sowing prospects of chana are reported good. Crop prospects were reported to balance supply demand of equation of chana erasing concerns of lower availability of chana for the nest marketing year. Arrivals in Delhi market remained around 35-40 motors while the prices declined to ₹3400/quintal from ₹3500/quintal during last week. Drop in spot prices further weakened prices at futures.

Chana

Contract	NCDEX (₹/Quintal)								
	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Dec-11	3580.00	3585.00	3235.00	3278.00	-8.79%	1130480	20.32%	202310	23.69%
Jan-12	3668.00	3668.00	3310.00	3360.00	-8.72%	590590	109.75%	84000	28.56%
Feb-12	3552.00	3555.00	3241.00	3300.00	-7.67%	114360	167.51%	30290	14.17%



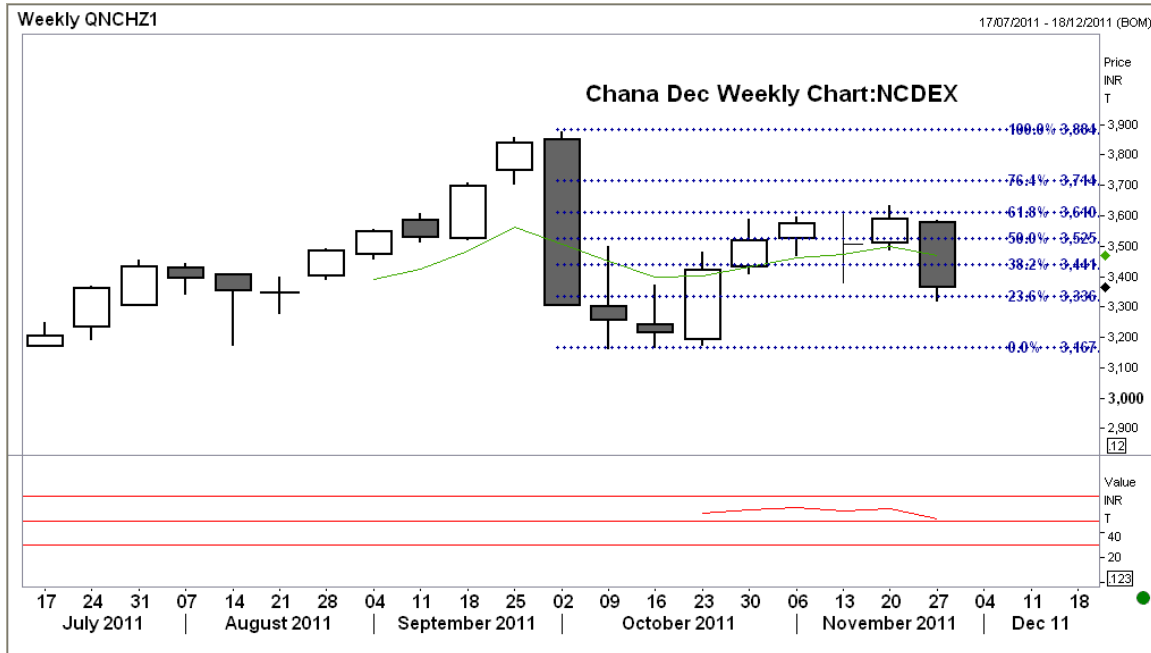
Outlook: Chana prices might remain bearish during week ahead. Better sowing prospects are weighing on market sentiments. Chana acreage so far has increased to 6.13 million hectares compared to 5.73 million hectares during last year. According to Rajasthan agriculture ministry acreage has increased by 36% during current cropping season compared to normal acreage. Demand across spot markets has remained very sluggish in absence of fresh demand which might keep prices under pressure. In Madhya pradesh regions acreage might increase by 10-15% compared to last year which might have bearish impact on prices.

Technical Analysis:

Price has failed to sustain above 61.8% of the previous major fall from this levels prices are witnessing a sharp fall. Closing of the long black candle stick is suggesting downside momentum in coming session but before falling it may rebound to 3441 then 3525 levels. Fibonacci retracement of 38.2% resistance is falling at 3441 levels and almost this levels matching with short term moving average of Weekly 8EMA level. On sustained trade above is likely to test Fibonacci 50% retracement of 3525 levels for the downside previous candle low itself may act as a initial support (3318)level and also this is matching with Fibonacci 23.6% of the range 3873-3166 levels. Incase on breach and sustained trade below is likely to test recent low of the futures (3163). Principle of pivot analysis is suggesting support at 3256 and resistance at 3523 levels pivot point is falling at 3421 level. Momentum indicator RSI-14 is trading at 0.360 is giving limited downside scope. Going



above technical analysis expecting prices to trade downside in coming session recommended selling at resistance levels.



Disclaimer

The report contains the opinions of the author that are not to be construed as investment advice. The author, directors and other employees of Karvy, and its affiliates, cannot be held responsible for the accuracy of the information presented herein or for the results of the positions taken based on the opinions expressed above. The above-mentioned opinions are based on the information which is believed to be accurate and no assurance can be given for the accuracy of this information. There is risk of loss in trading in derivatives. The author, directors and other employees of Karvy and its affiliates cannot be held responsible for any losses in trading.

Commodity derivatives trading involve substantial risk. The valuation of the underlying may fluctuate, and as a result, clients may lose their entire original investment. In no event should the content of this research report be construed as an express or an implied promise, guarantee or implication by, or from, Karvy Comtrade that you will profit or that losses can, or will be, limited in any manner whatsoever. Past results are no indication of future performance. The information provided in this report is intended solely for informative purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.

We do not offer any sort of portfolio advisory, portfolio management, or investment advisory services. The reports are only for information purposes and not to be construed as investment advice.

For a detailed disclaimer please go to following URLs:

<http://www.karvycomtrade.com/disclaimer.asp>

<http://www.karvycomtrade.com/riskDisclaimer.asp>