

GUAR DAILY

May 25, 2006

GUAR

SPOT MARKETS:

The guar prices witnessed on an average a range bound sentiments in all of the domestic markets in the country and mainly following the thin trading activity in futures market. The arrivals was reportedly at some lower sides as 600-800 bags/day in Jodhpur market, whereas, 200bags/day in Bikaner market. Nokha market witnessed meagre arrivals. Demands of traders were at lower sides. Traders attributed that the demand would increase when the futures recovered sharply. However millers demand for processing guar seed remain at higher sides. The sowing of guar already started in some parts of Haryana and Sriganganagar although in a small scale. Traders have been optimistic of rising guar seed prices in coming futures and closely eyeing towards monsoon progress.

FUTURES MARKETS:

The guar seed futures at the NCDEX witnessed some upwards trade initially on increased buying support following a firm opening. However, increased selling interest at the higher levels capped some of the early gains. Finally, the futures managed to settle at positive territory with marginal gains. The near month June contract for guar seed traded in the range of 1977-2017 while the July contract fluctuated in the range of 2060-2105. The near month June contract for guar gum traded in the range of Rs. 4895-4998 while the July contract fluctuated in the range of 5045-5125 during Wednesday.

PRICE DRIVERS:

Bullish:

1. Steady arrivals at lower levels
2. Steady demand at higher sides from millers

Bearish:

3. Thin trading activity in futures market
4. Progress of monsoon.

Weather

Isolated dust-storm/thunder-storm may occur over Rajas than. Traders have been closely watching towards monsoon rainfall.

TECHNICALS:

A thin white body occurred. The stochastic is bullish, and moving upwards to oversold region showing some up trend. The MACD along with its EMA moving southwards showing downtrend at medium term.

OUTLOOK:

The prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to firm opening and upward movement thereafter.

NCDEX July Contract



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
Guar seed July	2037	2015	2076	2155	2199
Guar gum July	4986	4905	5075	5284	5349

INTRADAY TRADE RECOMMENDATION:

Buy NCDEX- July Guar Seed near 2060 with target of 2100, and then 2120 Stop loss at 2040.

Buy NCDEX- July Guar Gum near 5030 with target of 5090 then 5120. Stop loss at 5000.

Do not carry forward the position until the next day.

Commodity	Centres	25.04.06	24.04.06	Change
Guar Seed	Bikaner	1920	1920	-
	Jodhpur	2050	2050	-
	Nokha	1872-1880	1880	-
	Sriganganagar	1870	1870	-
Guar Gum	Jodhpur	5252	5200	+52

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