

GUAR DAILY

July 01, 2006

GUAR

SPOT MARKETS:

The guar prices remained almost range bound in different domestic market. A poor arrival amidst good demand is underpinning the market sentiments. Moreover, sideways trading of futures market is also factorising the physical market tone. However, lower stocks were reported from different spot markets of Rajasthan. such as Nokha, Burmer etc. According to some traders Sriganganagar as well as Hunumannagar districts of Rajasthan still having comparatively good stocks and guar seed was reportedly supplied to different parts from these belts. Everybody related to guar eyeing towards S.W. monsoon progress for further direction. Favourable monsoon activity would lead to prevail bearish tone at market in coming future. However, the traders are optimistic of further increase in prices for the next of couples of days on good demand amidst meagre arrivals.

FUTURES MARKETS:

The guar seed futures at the NCDEX witnessed downward trade initially following a weak opening. However, increased buying interest at some lower level supported the futures and traded upwards thereafter. Finally the futures settled lower with marginal losses. The July contract for guar seed traded in the range of 1799-1835, while the August contract fluctuated in the range of 1837-1876. While, the July contract for guar gum traded in the range of 4657-4740 and the August contract fluctuated in the range of 4725-4812 during Friday's trade.

PRICE DRIVERS:

Bearish:

1. Confusion among traders on monsoon activity
2. Favourable advancement of S.W. monsoon.

Bullish:

3. Decreasing arrivals
4. Lower carry forward stocks

Weather:

Progress of rainfall in the coming weeks is crucial for the crop. Farmers of guar producing belts should prepare their lands for sowing their kharif guar crops.

Guar Prices at Major Markets in Rajasthan:

TECHNICALS:

The candlesticks showing slightly bullish tone. The stochastic is bullish and moving upwards to normal region. The MACD along with its EMA moving upwards, showing strength at medium term.

OUTLOOK:

The prices of guar seed as well as guar gum are expected to move upwards initially following a steady to weak opening with possibility of some downward movement later.

NCDEX August Contract



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
Guar seed Aug.	1840	1822	1969	1929	1944
Guar gum Aug.	4740	4700	4791	4910	4968

INTRADAY TRADE RECOMMENDATION:

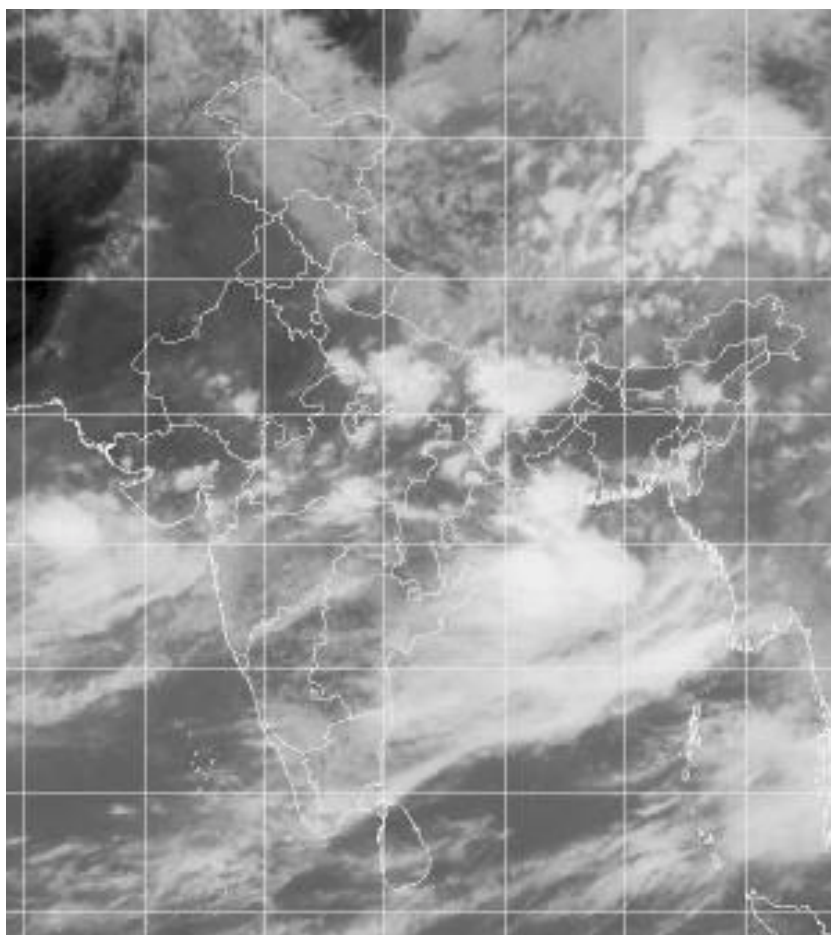
Buy NCDEX- August Guar Seed near 1848-1858 with target of 1893, and then 1918 Stop loss at 1833.

Buy NCDEX- August Guar Gum near 4750-4770 with target of 4810 then 4835 Stop loss at 4735.

Do not carry forward the position until the next day.

Commodity	Centres	30.06.06	29.06.06	Change
Guar Seed	Bikaner	1810	1800	+10
	Jodhpur	1925	1900-1925	-
	Nokha	1780	Closed	-
	Sriganganagar	1790	1775	+15
Guar Gum	Jodhpur	4950-5000	5000	-50

Satellite Picture of Monsoon Progress (30.06.06)



Source: IMD

- ✍ Southwest monsoon has further advanced into remaining parts of Gujarat and Madhya Pradesh; some more parts of West Uttar Pradesh, remaining parts of Himachal Pradesh and Jammu & Kashmir and some parts of Punjab and Haryana (including Chandigarh). **Northern Limit of Monsoon passes through 24°N/64°E, 24°N/68°E, Udaipur, Gwalior, Barielly, Dehradun, Ambala and Amritsar.**
- ✍ Conditions are favourable for further advance of southwest monsoon into some more parts of northwest India including Delhi during next 48 hours.

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