

## GUAR DAILY

January 3<sup>rd</sup>, 2007

### SPOT MARKETS:

Spot market prices of guar seed and guar gum declined in the majority of market mainly due the bearish tone of futures market. Arrivals remain steady at 18000 bags in all over India, as the farmers are unwilling to sell their stock at lower pieces. Stockists remain the active buyer in the market. Lower guar seed prices mainly motivated them to remain active in the market. Miller's activity remains steady in the market. According to the Indian Guar Gum Manufacturers Association in Jodhpur the higher prices of guar gum mainly sidelined the International buyers, which makes the India's export scenario poor so far.

### FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active February contract opened weak at Rs. 1975 and traded upwards thereafter and tested a high of Rs. 2006. However, selling pressure at higher level pushed the futures to trade downward and tested a low of Rs. 1960 and finally settled red. February contract moved in the range of Rs. 2006-1960 per qtl while the January contract moved in the range of Rs. 1969-1927 per qtl. Guar gum January contract traded in the range of Rs. 4870-4768, while the February contract fluctuated in the range of 4965-4860 per qtl.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Pakistan's export prices remain lower as against India

#### Bullish:

3. Farmers are unwilling to sell at lower price levels
4. Expectation of higher export in the coming days
5. Arrivals is likely to decrease in the coming days

### WEATHER IMPACT:

Guar harvesting is almost completed in major guar producing belts, and therefore, weather is not a concern at the moment.

### TECHNICALS:

Candlestick chart pattern exhibits weak sentiment. Stochastic is in normal region and moving upwards. MACD is in negative region and moving slightly upwards. Closing price is below the 9 days and the 18 days EMA. Market is expected to trade bullish following a firm opening.

### OUTLOOK:

Guar seed futures are expected to trade upwards following a firm opening.

### NCDEX Guar Seed February Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1950	1960	1975	2007	2022
Guar Gum Feb.	4820	4854	4895	4965	5002

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- February Guar Seed above 1970 with target of 1995 then 2007 Stop loss near 1955.

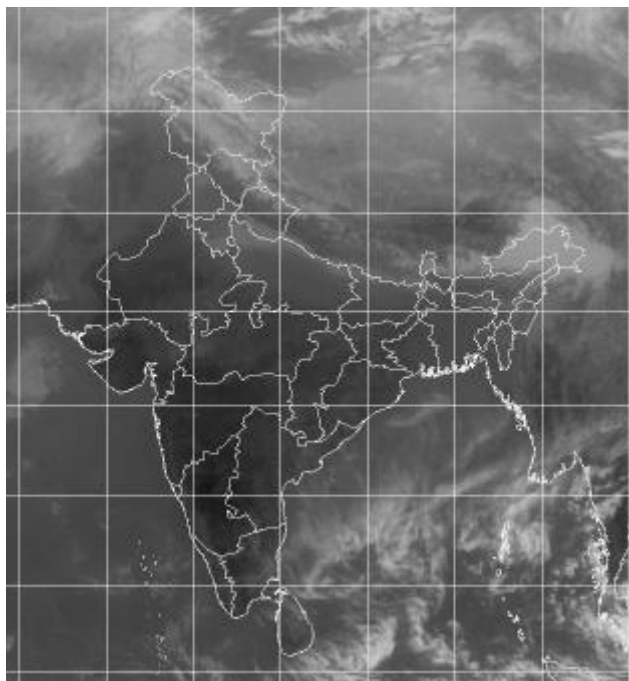
**BUY** NCDEX- February Guar Gum above 4880 with target of 4930 then 4955 Stop loss near 4855.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	02.01.07	01.12.06	Change
Guar Seed	Bikaner	1840	1850	-10
	Jodhpur	1970	1980	-10
	Nokha	1820	NA	-
	Sriganganagar	1805	NA	-
Guar Gum	Jodhpur	5044	5096	-52

## SATELLITE PICTURE OF MONSOON PROGRESS (02.12.06)



### Monsoon Outlook (02.12.06)

- Cold Day conditions prevailed over parts of Punjab and Haryana including Delhi where day temperatures were 16 °C or less. They are likely to abate during next 24 hours.
- Night temperatures are likely to fall over plains of northwest India during next 24 hours and rise thereafter.
- Ground frost conditions are likely to prevail over isolated pockets of Punjab and Haryana for another 24 hours.
- Fog conditions prevailed over most parts of Indo-Gangetic plains. However intensity of fog over the region is likely to reduce during next 2-3 days.
- In view of an approaching western disturbance scattered rain/snow activity is likely to commence over western Himalayan region from 4th onwards and may continue for next 2 days.
- Lowest night temperature in the plains of the country was 1.2°C recorded at Amritsar in Punjab.

### Outlook for subsequent two days (Based on numerical weather products):

- Scattered rain/snowfall activity is likely to continue over western Himalayan region. Isolated rain/thundershowers is also likely over Punjab and Haryana.
- Fog conditions are likely over parts of Indo-Gangetic plains.

**Source:** GOI (IMD)

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