

GUAR DAILY

January 22nd, 2007

SPOT MARKETS:

Spot market prices of guar seed and guar gum recovered in the majority of markets amidst slight demand and steady arrivals. Slight demand from millers observed during the Saturday trade whereas the Stockists activity remains silent in the market and they are waiting for the higher prices in the futures market to earn maximum profit. Arrivals stood steady at 1000 bags in Bikaner, while increased slightly in Nokha from 250-300 bags. Overall arrivals remain steady at 15000-18000 bags in India, as the farmers are not interested to release their stock at lower prices.

FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active March contract opened firm at Rs. 1996 against the previous close of Rs. 1995 and traded upwards thereafter on increased buying interest and tested a high of Rs. 2029 and settled in the positive side. March contract moved in the range of Rs. 2029-1996 per qtl while the February contract moved in the range of Rs. 1995-1964 per qtl. Guar gum February contract traded in the range of Rs. 4968-4912, while the March contract fluctuated in the range of 5045-4975 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 not releasing their stock at lower prices
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 sentiments, reflects sellers dominated the market at higher price levels. Stochastic is in oversold region and moving slightly upwards. MACD is in negative region and moving slightly upwards. Closing price is below the 9 days and the 18 days EMA.

OUTLOOK:

Guar seed futures are expected to trade downwards following a weak opening.

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1985	1987	2009	2029	2035
Guar Gum Mar.	4950	4963	5006	5050	5067

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- March Guar Seed below 2016 with target of 1991 then 1982. Stop loss near 2030.

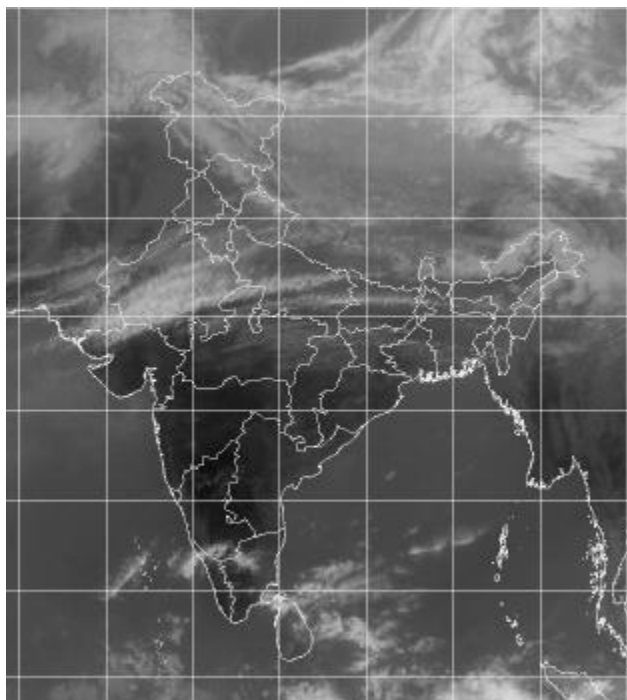
SELL NCDEX- March Guar Gum below 5021 with target of 4970 then 4945. Stop loss near 5050.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	20.01.07	19.01.07	Change
Guar Seed	Bikaner	1840	1830	+10
	Jodhpur	2000	1975	+25
	Nokha	1800	1790	+10
	Sriganganagar	1765	1760	+5
Guar Gum	Jodhpur	5018	4992	+26

SATELLITE PICTURE OF MONSOON PROGRESS (20.01.07)



Monsoon Outlook (20.01.07)

- With the eastwards movement of western disturbance, northwesterly winds are likely to prevail over Indo-Gangetic plains during next 4-5 days. Consequently, night temperatures are likely to fall gradually by 2-3 °C over the region. Cold wave and fog conditions in the morning hours are also likely at some places of the region.
- Lowest night temperature in the plains of the country was 0.0 °C recorded at Adampur in Punjab.

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

- A fresh western disturbance is likely to affect northwest India from 24th onwards.

Source: GOI (IMD)

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