

## GUAR DAILY

January 19th, 2007

### SPOT MARKETS:

Spot market prices of guar seed declined in the majority of markets on sluggish demand, while the spot prices of guar gum in Jodhpur remain steady on subdued demand. Slight demand from millers observed during the Thursday's trade, while the Stockists activity remain silent in the market. Arrivals declined 1100 -1000 bags in Bikaner, 400-250 bags in Nokha. Overall arrivals declined to 14000 from 15000 bags in India due to unwillingness of farmers to release their stock at lower prices. Moreover, weakness in the guar futures market has also affected the spot market sentiment.

### FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish tone. The most active February contract opened firm at Rs. 1969 against the previous close of Rs. 1967 and traded upward thereafter and tested a high of Rs. 1975. However, selling pressure at higher level pushed the futures to trade downwards and finally settled in the negative side. February contract moved in the range of Rs. 1975-1953 per qtl while the January contract moved in the range of Rs. 1940-1917 per qtl. Guar gum January contact traded in the range of Rs. 4878-4816, while the February contract fluctuated in the range of 4946-4890 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 releasing their stock at higher 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 bearish movement, reflects sellers dominated the market. Stochastic is in oversold region and moving slightly upwards following a bullish crossover. MACD is in negative region and moving downwards. 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 February Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1920	1930	1955	1975	1981
Guar Gum Feb.	4825	4850	4900	4950	4975

### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- **February Guar Seed** below 1965 with **target** of 1940 then 1928 **Stop loss** near 1980.

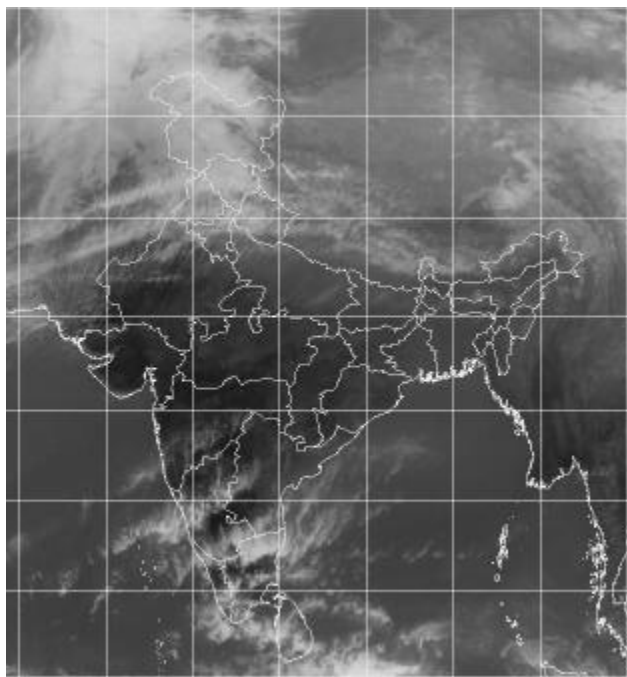
**SELL** NCDEX- **February Guar Gum** below 4930 with **target** of 4870 then 4845 **Stop loss** near 4955.

**Do not carry forward the position until the next day.**

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	18.01.07	17.01.07	Change
Guar Seed	Bikaner	1830	1850	-20
	Jodhpur	1975	2000	-25
	Nokha	1790	1810	-20
	Sriganganagar	1760	1780	-20
Guar Gum	Jodhpur	5044	5044	-

## SATELLITE PICTURE OF MONSOON PROGRESS (18.01.07)



### Monsoon Outlook (18.01.07)

- Under the influence of a western disturbance as an upper air system over Pakistan and adjoining Jammu & Kashmir, western Himalayan region is likely to experience scattered snowfall activity during next 48 hours. Isolated light rain/thundershowers are also likely over Punjab & north Haryana.
- Night temperatures have increased by 2-4 °C over plains of northwest India and Rajasthan and by 1-2 °C over Gangetic plains. Cold wave conditions prevailing over parts of Punjab have abated, however, they still continue to prevail over some parts of East Uttar Pradesh, Bihar and Jharkhand. The current meteorological analysis suggests further increase in night temperatures by 2-3 °C over Indo- Gangetic plains during next 1-2 days and fall thereafter along with occurrence of fog in some areas.
- Lowest night temperature in the plains of the country was 1.3°C recorded at Amritsar in Punjab.

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

- Further fall in night temperatures likely over Indo-Gangetic plains and occurrence of fog also likely in some areas.

**Source:** GOI (IMD)

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