

## GUAR DAILY

January 29th, 2007

### SPOT MARKETS:

Guar spot market observed steady to slightly firm sentiments during the Saturday's trade where spot prices of guar seed and guar gum quoted steady in the majority of markets on subdued physical demand and steady arrivals. Arrivals remain steady at 1100 bags in Bikaner, while declined slightly to 300 from 400 bags in Nokha. Overall arrivals remain steady at 15000-16000 bags a day in all over India. Slight demand from millers observed during the Saturday trade, while the Stockists activity remains silent in the market. Moreover, the marginal weakness in the guar futures market, affected the trading activities in the spot market.

### FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active March contract opened firm at Rs. 1963 against the previous close of Rs. 1965. However, traded upwards on increased buying interest and tested a high of Rs. 1980 and finally settled in the positive territory. March contract moved in the range of Rs. 1980-1963 per qtl while the February contract moved in the range of Rs. 1947-1925 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 tone, reflects sellers dominated the market at higher levels. Stochastic is in oversold region and moving slightly upwards. MACD is in negative region and moving downwards. Closing price is in below the 9 days and the 18 days EMA.

### OUTLOOK:

Guar seed futures are expected to trade downwards following a steady to weak opening with possibility of slightly upwards movement initially.

### NCDEX Guar Seed March Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1935	1940	1969	1990	2000
Guar Gum Mar.	4800	4825	4885	4936	4960

### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- March Guar Seed below 1975 with target of 1945 then 1935 Stop loss near 1990.

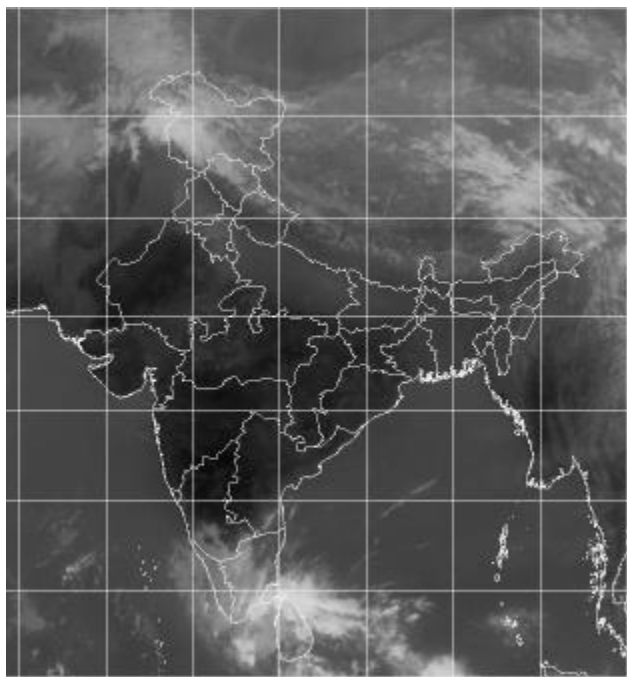
**SELL** NCDEX- March Guar Gum below 4905 with target of 4855 then 4830 Stop loss near 4935.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	27.01.07	25.01.07	Change
Guar Seed	Bikaner	1840	1840	-
	Jodhpur	1950	1940	+10
	Nokha	1800	1790	+10
	Sriganganagar	1745	1745	-
Guar Gum	Jodhpur	4888	4888	-

## SATELLITE PICTURE OF MONSOON PROGRESS (27.01.07)



### Monsoon Outlook (27.01.07)

- No significant change has occurred in night temperatures over most parts of Indo-Gangetic plains and Rajasthan during past 24 hours. The current met analysis suggests that the prevailing night temperature scenario is likely to continue during next 1-2 days over the above regions.
- A fresh western disturbance as an upper air system is likely to affect Western Himalayan region from 29th.
- Lowest night temperature in the plains of the country was 2.4 °C recorded at Amritsar in Punjab.

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

- Fall in night temperatures from 31st onwards over plains of northwest India.

**Source:** GOI (IMD)

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