

## GUAR DAILY

January 20th, 2007

### SPOT MARKETS:

Spot market prices of guar seed remain steady in the major trading centers on subdued demand, while the spot prices of guar gum in Jodhpur declined slightly on sluggish demand from millers. Stockists activity remain silent in the market as they are waiting for the futures prices to go up, so that they can sell their stock in futures market which they had purchased on lower prices in spot. Arrivals stood steady at 1000 bags in Bikaner and 250 bags in Nokha. 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 lacklustre trade with slightly bullish tone. The most active February contract opened weak at Rs. 1956 against the previous close of Rs. 1957 and traded downward thereafter on increased selling pressure and tested a low of Rs. 1953. However, futures recovered on buying interest and settled in the positive side. February contract moved in the range of Rs. 1972-1953 per qtl while the January contract moved in the range of Rs. 1934-1870 per qtl. Guar gum January contract traded in the range of Rs. 4900-4801, while the February contract fluctuated in the range of 4935-4880 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 firm sentiments, buyers recovered the market. Stochastic is in oversold region and moving upwards following a bullish crossover. MACD is in negative region and moving upwards. Closing price is below the 9 days and the 18 days EMA.

### 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.	1930	1945	1963	1992	2000
Guar Gum Feb.	4840	4870	4909	4965	4980

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- February Guar Seed above 1955 with target of 1980 then 1992 Stop loss near 1942.

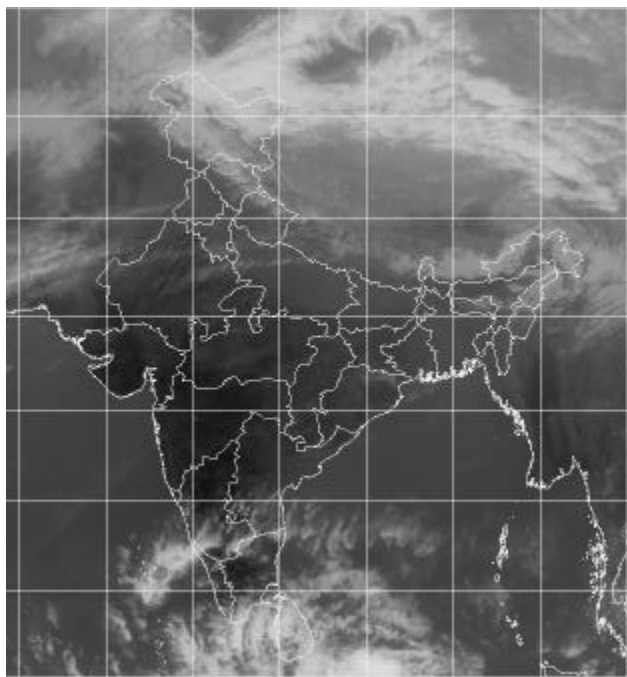
**BUY** NCDEX- February Guar Gum above 4890 with target of 4940 then 4965 Stop loss near 4865.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	19.01.07	18.01.07	Change
Guar Seed	Bikaner	1830	1830	-
	Jodhpur	1975	1975	-
	Nokha	1790	1790	-
	Sriganganagar	1760	1760	-
Guar Gum	Jodhpur	4992	5044	-52

## SATELLITE PICTURE OF MONSOON PROGRESS (19.01.07)



### Monsoon Outlook (19.01.07)

- 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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