

GUAR DAILY

March 22nd, 2007

SPOT MARKETS:

Guar seed prices firmed up at Bikaner and stood range bound at Jodhpur places on account of speculative buying and firm sentiments for guar gum during first half of trading. Relatively lower prices of guar seeds helped witness good offtake by millers. Stockists are disposing off seeds in limited quantity as they expect prices of seeds to firm up during this lean season and ahead also. Prices of Guar gum firmed up on Wednesday on fresh buying support. The export demand for guar seeds is almost constant over the years, whereas supply varies largely between years. As per an estimate, export of guar seed during 2006-07 is estimated to be ahead of previous years estimate by around 45%. Weather is of little concern during lean period.

FUTURES MARKETS:

NCDEX Guar seed futures traded firm initially but couldn't sustain gain for long at the back of slight tentativeness at higher levels. The most active April contract opened at Rs 1937 per qtl previous closing levels of Rs. 1936/ctl and settled low at Rs 1940 per qtl. Guar gum futures at NCDEX traded firm initially but higher selling interest drove prices down during second half of trading. The most active April contract opened low at Rs4727 per qtl, against the previous close of Rs. 4715 per qtl and settled at Rs 4720 per qt.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Exclusion of VAT on guar in Rajasthan

Bullish:

3. Expectation of higher export order in near future
4. Improved overseas demand

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 market. Big upper shadow indicates sellers dominated the market. Stochastic is in neutral region and moving downwards, which shows continuation in bearish momentum. Closing price is in-between the 9 days and 18 days EMA. Market is expected to trade downwards following a steady to weak opening.

OUTLOOK:

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

NCDEX Guar Seed April Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1895	1910	1938	1960	1975
Guar Gum Apr.	4630	4670	4720	4780	4810

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- April Guar Seed below 1945 with target of 1920 then 1910 Stop loss near 1960.

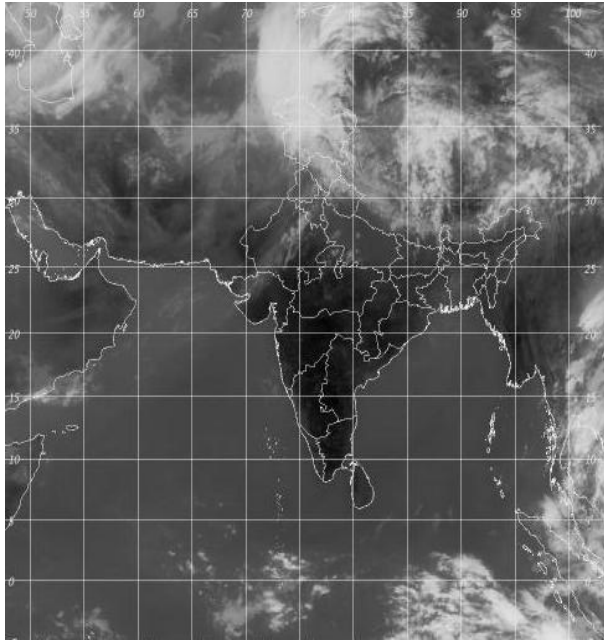
SELL NCDEX- April Guar Gum below 4740 with target of 4690 then 4665 Stop loss near 4770.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	21.03.07	20.03.07	Change
Guar Seed	Bikaner	1825	1815	+10
	Jodhpur	1930	1930	0
	Nokha	1720	-	-
Guar Gum	Sriganganagar	-	-	-
	Jodhpur	4715	4725	-10

SATELLITE PICTURE OF MONSOON PROGRESS (21.03.07)



Monsoon Features (21.03.07)

- Under the influence of the western disturbance, Jammu & Kashmir and Himachal Pradesh continue to receive moderate to rather heavy precipitation at many places during past 24 hours also. Isolated to scattered rain/thundershowers accompanied with hail/squall also occurred over Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh and Rajasthan.
- The current meteorological analysis suggests that the ongoing precipitation over northwest India is likely to continue during next 24 hours only.

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

- ✓ Mainly dry weather is likely over most parts of the country.

Source: IMD (GOI)

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