

## GUAR DAILY

March 12th, 2007

### SPOT MARKETS:

Guar prices remained flat on steady demand supply scenario. The guar gum quoted down on Jodhpur. Some rainfall limited the market activities. Market sources reported that the exporter have received fresh export orders from China as well as some order from UK in the market. Thus, prices are expected to remain in stronger side in short term. However, the fresh western disturbance hitting on 11th-13th March is likely to affect the arrivals and trade activity in the market. Arrivals at the majority of markets stood steady at 10000-11000 bags a day. Arrival at the Bikaner mandi stood steady at 300 bags.

### FUTURES MARKETS:

NCDEX Guar seed futures observed sideways trade. The most active April contract opened weak at Rs. 1946 against the previous close of Rs. 1949 and traded sideways. April contract moved in the range of Rs. 1963-1930 per qtl, while the March contract moved in the range of Rs. 1936-1858 per qtl. and settled down at Rs.1943/qtl. Guar gum April contract fluctuated in the range of Rs. 4770-4820/qtl, and settled red at Rs.4786/qtl.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Stockists releasing their stock
3. Exclusion of VAT on guar in Rajasthan

#### Bullish:

4. Expectation of higher export order in near future
5. Improved demand from millers & exporters
6. Improved overseas demand
7. Lower arrivals in the market

### 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 indecisive market. Stochastic is in neutral region and moving upwards. MACD is in negative region and rising, which shows decrease in bearish momentum. Closing price is above both 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.	1907	1920	1943	1970	1990
Guar Gum Apr.	4660	4700	4786	4850	4880

### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- April Guar Seed below 1955 with target of 1930 then 1920 Stop loss near 1970.

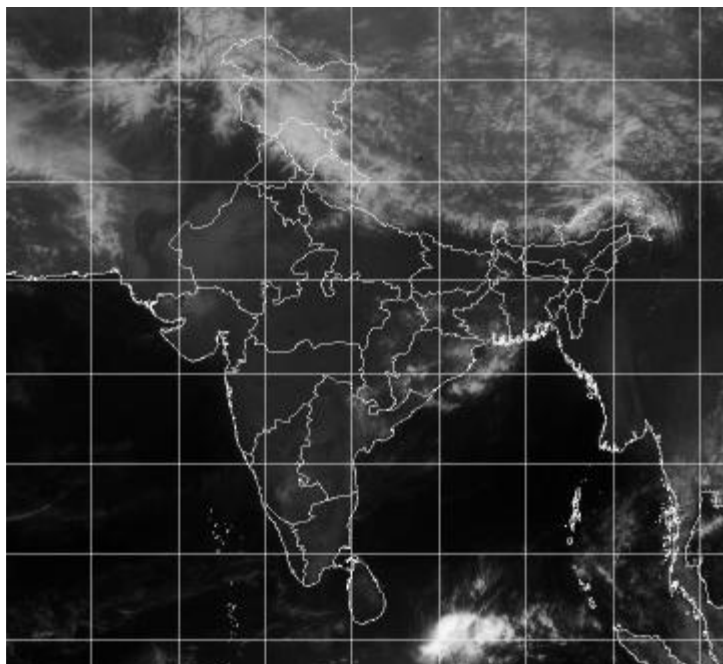
**SELL** NCDEX- April Guar Gum below 4800 with target of 4750 then 4725 Stop loss near 4825.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	10.03.07	09.03.07	Change
Guar Seed	Bikaner	1800	1800	-
	Jodhpur	1935	1935	-
	Nokha	1755	1755	-
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4725	4735	-10

## SATELLITE PICTURE OF MONSOON PROGRESS (10.03.07)



### Monsoon Features (10.03.07)

- ✓ A fresh western disturbance is likely to cause fairly widespread precipitation over northwest India and Rajasthan from tomorrow evening to 13th and over east India on 12th and 13th. Isolated heavy falls accompanied with hail/squall is likely over northwest India during 11th evening to 13th.

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

- ✓ Precipitation activity accompanied with isolated hail/squall is likely to continue over Western Himalayan Region and Indo-Gangetic plains till 13th and decrease thereafter.
- ✓ Isolated heavy precipitation accompanied with hail/squall likely over Jammu & Kashmir Himachal Pradesh, Uttaranchal, Punjab, Haryana, Chandigarh, Delhi and Rajasthan during 11th evening to 13th

Source: IMD (GOI)

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