

GUAR DAILY

March 16th, 2007

SPOT MARKETS:

Guar seed prices softened in Jodhpur except for slight firmness in Bikaner. Good arrivals of guar seeds amidst steady demand from millers softened guar seed prices, however guar gum prices improved somewhat. Traders are closely watching the futures market sentiments to take further decision. Total arrivals on Thursday improved over Wednesday's arrival by 2000 bags and stood at 8,000 bags. Around 300 bags arrived in Bikaner Mandi..

FUTURES MARKETS:

NCDEX Guar seed futures are traded firm amidst slight tentativeness at higher levels. The most active April contract opened firm at Rs. 1932/ctl against the previous close of Rs. 1930 and settled at Rs 1948 per qtl. April contract moved in the range of Rs. 1929-1959 per qtl. Guar gum features at NCDEX trade bullish with slight tentativeness at higher levels but couldn't manage to sustain gains for long. The most active April contract opened low at Rs.4740, against the previous close of Rs. 4745 and settled at Rs 4767 per qtl. April contract moved in the range of Rs. 4740-4799 per qtl.

PRICE DRIVERS:

Bearish:

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

Bullish:

4. Expectation of higher export order in near future
5. Steady to 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 weakness in sentiments. Market couldn't sustain at higher price levels. Stochastic is in neutral region and moving downwards. MACD is in positive region and moving upwards. 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.	1900	1920	1948	1975	1990
Guar Gum Apr.	4680	4700	4767	4820	4850

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- April Guar Seed below 1960 with target of 1935 then 1920 Stop loss near 1975.

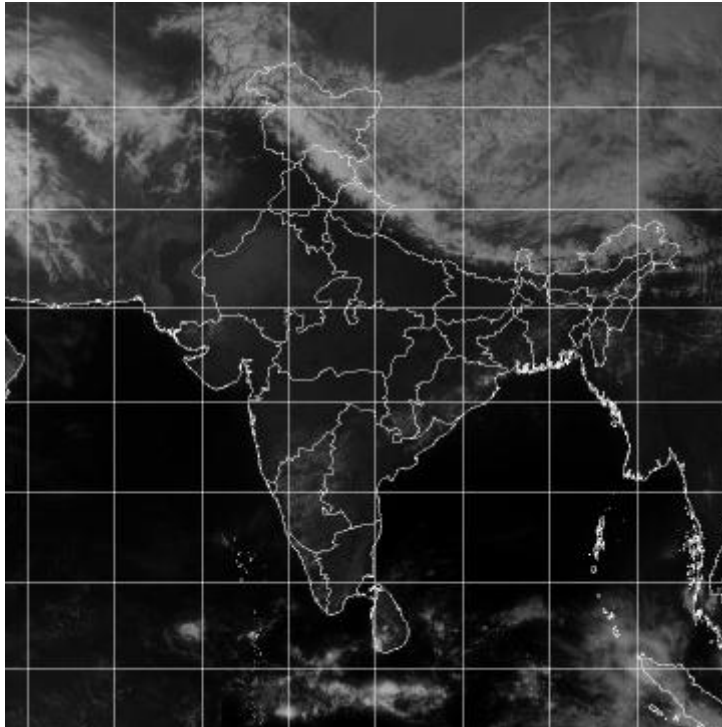
SELL NCDEX- April Guar Gum below 4780 with target of 4730 then 4700 Stop loss near 4810.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	15.03.07	14.03.07	Change
Guar Seed	Bikaner	1820	1800	+20
	Jodhpur	1920	1930	-10
	Nokha	1750	1750	0
	Sriganganagar	-	-	-
Guar Gum	Jodhpur	4700	4665-4675	+25

SATELLITE PICTURE OF MONSOON PROGRESS (15.03.07)



Chief Features (15.03.07)

- ✓ The current meteorological analysis suggests that largely dry weather conditions are likely to prevail over most parts of the country during next 2-3 days. The night temperatures are 3-5 °C below normal over many parts of northwest India. The day temperatures are also below normal by 4-6 °C over this region. However, they are likely to register increasing trend from tomorrow onwards for the next 4-5 days. A fresh western Disturbance is likely to cause scattered light to moderate precipitation over Western Himalayan region from 17th night onwards for next 2-3 days.

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

- ✓ Scattered precipitation likely over Western Himalayan region.

Source: IMD (GOI)

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