

## GUAR DAILY

March 13th, 2007

### SPOT MARKETS:

Guar seed prices remained weak amidst low arrivals and weak demand at spot markets. Rainfall in Rajasthan has limited daily routine trading. However the Guar Gum was quoted on some higher levels on some demand. Prices are expected to improve in medium term on the outlook of some export demand likely to increase for the days to come. However, the fresh western disturbance hitting on 11th-13th March is likely to affect the arrivals and trade activity in the market. Arrivals declined considerably to around 5000 bags against 10,000-11,000 bags arrived on Saturday.

### FUTURES MARKETS:

NCDEX Guar seed futures traded low amidst higher selling interest. The most active April contract opened firm at Rs. 1946 against the previous close of Rs. 1943 and settled at Rs 1926 per qtl. April contract moved in the range of Rs. 1923-1969 per qtl, while the March contract moved in the range of Rs. 1877-1919 per qtl and settled down at Rs.1877/qtl. At the spot markets guar seed was quoted steady at Rs. 1915/qtl as against previous price of Rs 1920/qtl price in Jodhpur.

### 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 market. Stochastic is in neutral region and moving flat. MACD is in positive region and moving southwards, which shows weakness in medium term. 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.	1880	1902	1926	1950	1960
Guar Gum Apr.	4620	4660	4746	4790	4830

### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- April Guar Seed below 1935 with target of 1915 then 1910 Stop loss near 1945.

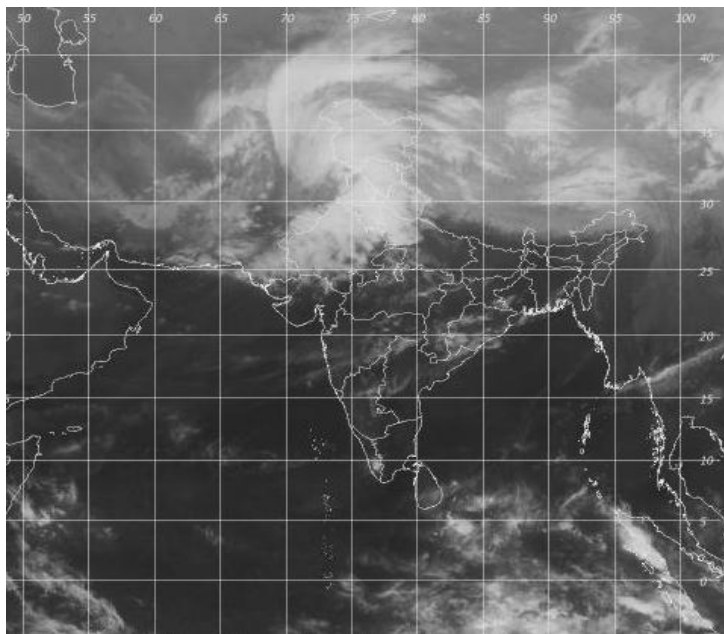
**SELL** NCDEX- April Guar Gum below 4760 with target of 4700 then 4670 Stop loss near 4790.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.03.07	10.03.07	Change
Guar Seed	Bikaner	1780-1790	1800	-10
	Jodhpur	1915	1935	-20
	Nokha	1755	1755	-
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4750	4725	+25

## SATELLITE PICTURE OF MONSOON PROGRESS (12.03.07)



### Monsoon Features (12.03.07)

- ✓ Light to moderate rain/thundershowers also occurred at many places over Punjab, Haryana, Chandigarh, Delhi and Rajasthan. Chief amounts of rainfall recorded during past 24 hours (in cm.) are: Batote-11, Katra-10, Bhaderwah-6, Pahalgam-5, Srinagar-4, Bhuntar, Kalpa and Sundernagar-3 each.

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

- ✓ The current meteorological analysis suggests that the ongoing enhanced rainfall activity over Western Himalayan region is likely to continue for next 24 hours and decrease thereafter. The plains of northwest India and Rajasthan are also likely to experience fairly widespread rain/thundershowers during next 24 hours, which is likely to decrease thereafter. Isolated heavy rainfall accompanied with hail/squall is also likely over northwest India during next 24 hours.

Source: IMD (GOI)

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>