

GUAR DAILY

March 15th, 2007

SPOT MARKETS:

Guar seed prices softened in Bikaner and Nokha except for slight firmness in Jodhpur. Rates for Guar Gum too followed the suit and declined considerably. Steady demand and steady arrivals featured the spot market moves. Prices are expected to improve in medium term on the outlook of some export demand likely to increase for the days to come. Weather is no longer a concern as western disturbance has shifted eastwards thus paving way to clear weather over regions of Rajasthan to pursue normal trading. Total arrivals have been around 5,000 to 6,000 bags. Around 300 bags arrived in Bikaner Mandi.

FUTURES MARKETS:

NCDEX Guar seed futures traded firm initially but couldn't sustain gain for long amidst higher selling interest. The most active April contract opened low at Rs. 1942/qlt against the previous close of Rs. 1940 and settled at Rs 1930 per qtl. April contract moved in the range of Rs. 1921-1943 per qtl. Guar gum futures at NCDEX reflected indecisiveness initially and witnessed a sharp decline amidst bears dominating the market. The most active April contract opened firm at Rs.4772, against the previous close of Rs. 4770 and settled at Rs 4730 per qtl. April contract moved in the range of Rs. 4720-4773 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 weak sentiments. Sellers dominated the market. Stochastic is in neutral region and moving downwards following a bearish crossover. MACD is in positive region and moving downwards. 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.	1895	1905	1930	1960	1975
Guar Gum Apr.	4640	4680	4730	4790	4820

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- April Guar Seed below 1940 with target of 1915 then 1905 Stop loss near 1955.

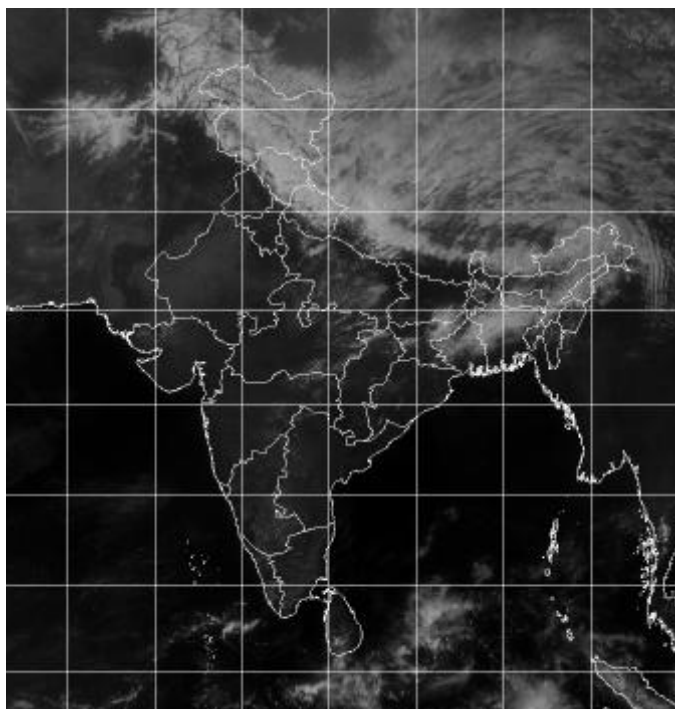
SELL NCDEX- April Guar Gum below 4750 with target of 4700 then 4680 Stop loss near 4780.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	14.03.07	13.03.07	Change
Guar Seed	Bikaner	1800	1825	-25
	Jodhpur	1930	1925	+5
	Nokha	1750	1760-1770	-20
	Sriganganagar	-	-	-
Guar Gum	Jodhpur	4665-4675	4750	-75

SATELLITE PICTURE OF MONSOON PROGRESS (14.03.07)



Chief Features (14.03.07)

- ✓ During past 24 hours moderate rainfall has occurred at many places over Western Himalayan region, Indo-Gangetic plains and adjoining central India. Chief amounts of rainfall recorded during past 24 hours (in cm.) are: Mukteshwar and Bhuntar-4 each, Ambikapur, Quazigund, Ludhiana, Patna, Dehradun and Varanasi-3 each. The western disturbance has now moved eastwards. Consequently, the rain/thundershower activity is likely to remain centered largely over east and northeast India during next 48 hours. The Numerical Weather Prediction Model suggest that strong northwesterly winds are likely to prevail over Indo-Gangetic plains commencing from tomorrow onwards. Consequently, the decreasing trend in night temperatures is likely to continue over the region during next 48 hours. However, the day temperature is likely to increase by 3-5 oC during next 3-4 days.

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

- ✓ Isolated hail/squall is likely over East Uttar Pradesh, Bihar and West Bengal & Sikkim during next 24 hours and over northeastern States during next 48 hours. Decrease in rainfall activity over northeastern States. A feeble western disturbance is likely to affect Western Himalayan region.

Source: IMD (GOI)

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