

## GUAR DAILY

March 27<sup>th</sup>, 2007

### SPOT MARKETS:

Rates for guar seeds and guar gum softened on Monday. Total arrivals on Monday stood at 4000 to 6000 bags, a marginal improvement of 1000 bags over previous weekend. Demand from millers stood steady. As per traders, long-term firmness in guar gum sentiments is likely to keep guar seed prices stay steady to firm. As per an estimate, export of guar seed during 2006-07 is estimated to be ahead of previous years estimate by around 45%. India has a relative advantage over gaining export share for guar seeds on account of relatively lower prices quoted by Indian exporters as compared to that quoted by exporters in Pakistan, as it happens to be one of the major competitors of India in guar gum and guar seeds exports.

### FUTURES MARKETS:

NCDEX Guar seed futures traded bearish on account of profit booking and predominant selling interest. The most active April contract opened up at Rs 2000 per qtl previous closing levels of Rs. 1996/qtl and settled low at Rs 1981 per qtl. April contract moved in the range of Rs. 1965-2000 per qtl. Guar gum futures at NCDEX traded weak initially but managed to recover prices later in the second half of trading. The most active April contract opened at Rs 4881 per qtl, against the previous close of Rs. 4893 per qtl and settled up at Rs 4890 per qtl. April contract moved in the range of Rs. 4830-4890 per qtl.

### 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
5. Declining private stock of guar seeds in Pakistan
6. Good demand from millers and restricted selling from stockists.

### WEATHER IMPACT:

Guar harvesting is almost completed in major guar producing belts, and therefore, weather is not a concern at the moment.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAI

| Commodity | Centres       | 26.03.07 | 24.03.07 | Change |
|-----------|---------------|----------|----------|--------|
| Guar Seed | Bikaner       | 1875     | 1890     | -15    |
|           | Jodhpur       | 1950     | 2000     | -50    |
|           | Nokha         | 1750     | 1770     | -20    |
|           | Sriganganagar |          |          |        |
| Guar Gum  | Jodhpur       | 4820     | 4830     | -10    |

### TECHNICALS:

Candlestick chart pattern exhibits weakness in the market. However, sellers dominated the market. Stochastic is in neutral region and moving upwards. MACD is in positive region and moving marginally down. Closing price is above both the 9 days and 18 days EMA. Market is expected to trade range bound with firm undertone following a steady to weak opening.

### OUTLOOK:

Guar seed futures are expected to trade range bound with firm undertone following a steady to weak opening.

#### NCDEX Guar Seed May Contract:



### SUPPORT / RESISTANCES:

| Contract       | S2   | S1   | PCP  | R1   | R2   |
|----------------|------|------|------|------|------|
| Guar Seed May. | 2010 | 2020 | 2039 | 2060 | 2072 |
| Guar Gum May.  | 4900 | 4925 | 4966 | 5015 | 5040 |

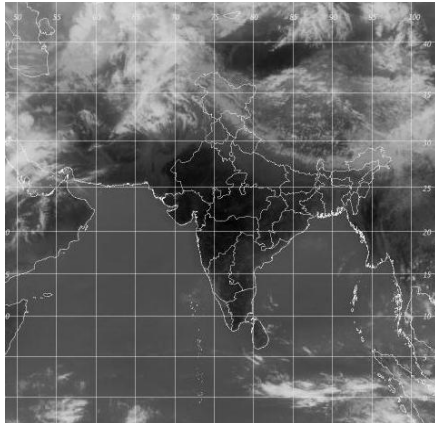
### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- May Guar Seed above 2030 with target of 2050 then 2060 **Stop loss** near 2020.

**BUY** NCDEX- May Guar Gum above 4950 with target of 4990 then 5010 **Stop loss** near 4925.

Do not carry forward the position until the next day.

## SATELLITE PICTURE OF MONSOON PROGRESS (26.03.07)



### Monsoon Features (26.03.07)

- ✓ Strong northwesterly winds are prevailing over Indo-Gangetic plains for the last 3-4 days. However numerical weather prediction models suggest gradual decrease in their strength during the next 3-4 days. Consequently day and night temperatures are likely to increase over this region.
- ✓ Generally dry weather is likely to continue to prevail over northwest and central India during next 4 days.

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

- ✓ No major change.

**Source:** IMD (GOI)

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