

## GUAR DAILY

March 14th, 2007

### SPOT MARKETS:

Guar seed prices firmed up marginally amidst steady arrivals and good demand from millers. Restricted selling from stockists has given additional support to guar seeds sentiments. Rates for Guar Gum stood range bound. 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 stood at Monday's levels, around 5000-6000 bags were reported on Tuesday. Arrival at the Bikaner mandi stood steady at 400 bags.

### FUTURES MARKETS:

NCDEX Guar seed futures traded firm amidst slight tentativeness at higher levels. The most active April contract opened low at Rs. 1925/qrt against the previous close of Rs. 1926 and settled at Rs 1940 per qrt. April contract moved in the range of Rs. 1925-1951 per qrt, Guar gum features at NCDEX reflected indecisiveness over market direction. The most active April contract opened firm at Rs.4767, against the previous close of Rs. 4746 and settled at Rs 4770 per qrt. April contract moved in the range of Rs. 4756-4795 per qrt, during Tuesday's trade.

### 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 somewhat firm market. However, sellers restricted the early advances. Stochastic is in neutral region and moving downwards following a bearish crossover. MACD is in positive region and moving slightly up. Closing price is above both the 9 days and 18 days EMA. Market is expected to trade upwards initially following a steady to firm opening and downward movement thereafter.

### OUTLOOK:

Guar seed futures are expected to trade upwards initially following a steady to firm opening and downward movement thereafter.

### NCDEX Guar Seed April Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1895	1914	1940	1975	1990
Guar Gum Apr.	4688	4720	4770	4830	4870

### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- April Guar Seed below 1955 with target of 1930 then 1915 Stop loss near 1970.

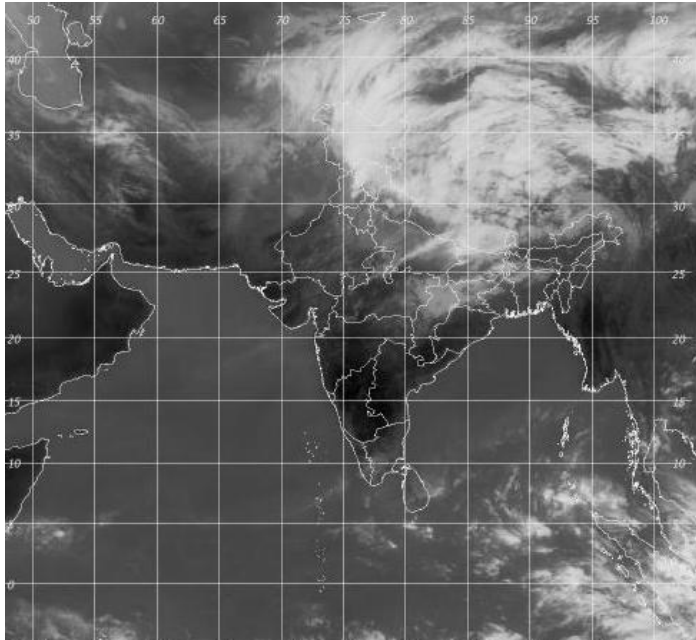
**SELL** NCDEX- April Guar Gum below 4800 with target of 4750 then 4725 Stop loss near 4830.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	13.03.07	12.03.07	Change
Guar Seed	Bikaner	1825	1780-90	+35
	Jodhpur	1925	1915	+10
	Nokha	1760-1770	1755	+15
	Sriganganagar	-	NA	-
Guar Gum	Jodhpur	4750	4750	0

## SATELLITE PICTURE OF MONSOON PROGRESS (13.03.07)



### Monsoon Features (13.03.07)

- The western disturbance has weakened and moving eastwards. Consequently the intensity of precipitation is likely to decrease considerably from today onwards over northwest India. However scattered to fairly widespread rain/thundershowers accompanied with isolated hail/squall is likely over east India today & tomorrow and over northeastern States from tomorrow onwards.
- Isolated hail/squall is also likely over East Uttar Pradesh, Bihar and West Bengal during next 48 hours.

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

- ✓ Decrease in rainfall activity over northeastern States.

**Source:** IMD (GOI)

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