

## GUAR DAILY

March 23<sup>rd</sup>, 2007

### SPOT MARKETS:

Prices of guar seeds firmed up today across spot markets. Resellers quoted higher rates for seeds on account of good demand from millers. As per traders, private stock of guar seeds in Pakistan is declining gradually. Evidently, prices of guar seeds are being quoted at higher levels, thereby providing some room for exports in India to gain export share in world market. Arrivals on Thursday stood around 5000 to 6000 bags, a marginal improvement of 1500 bags over Wednesday. Good demand for guar gum is said to have supported firmness in guar seed prices. The export demand for guar seeds is almost constant over the years, whereas supply varies largely between years. As per an estimate, export of guar seed during 2006-07 is estimated to be ahead of previous years estimate by around 45%. Weather is of little concern during lean period.

### FUTURES MARKETS:

NCDEX Guar seed futures traded firm. The most active April contract opened at Rs 1942 per qtl previous closing levels of Rs. 1938/qtl and settled high at Rs 1977 per qtl. April contract moved in the range of Rs. 1941-1984 per qtl. Guar gum futures at NCDEX traded firm. The most active April contract opened up at Rs4739 per qtl, against the previous close of Rs. 4720per qtl and settled at Rs 4845 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

### 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 reflects some strength in the market. Buyers mainly dominated the market. However, stochastic is in neutral region and moving slightly downwards. MACD is in positive region and moving upwards. Closing price is above the 9 days and 18 days EMA. Market is expected to trade upwards following a steady to firm opening.

### OUTLOOK:

Guar seed futures are expected to trade upwards following a steady to firm opening.

### NCDEX Guar Seed April Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1940	1954	1977	2015	2025
Guar Gum Apr.	4755	4788	4845	4930	4970

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- April Guar Seed above 1965 with target of 1990 then 2005 **Stop loss** near 1950.

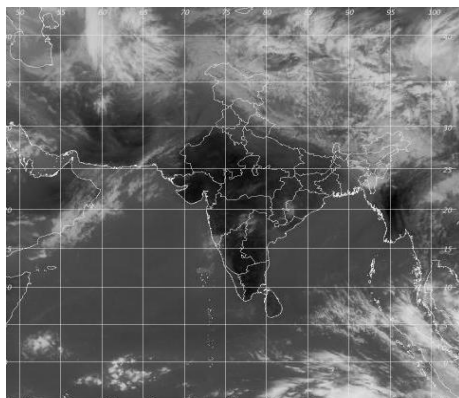
**BUY** NCDEX- April Guar Gum below 4820 with target of 4880 then 4910 **Stop loss** near 4790.

**Do not carry forward the position until the next day.**

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	22.03.07	21.03.07	Change
Guar Seed	Bikaner	1850	1825	+25
	Jodhpur	1960	1930	+30
	Nokha	1750	1720	+30
	Sriganganagar	-	-	
Guar Gum	Jodhpur	4845	4715	+130

## SATELLITE PICTURE OF MONSOON PROGRESS (22.03.07)



### Monsoon Features (22.03.07)

- During past 24 hours light to moderate rain/snow has occurred at many places over Western Himalayan Region. Isolated to scattered rain/thundershowers also has occurred over Indo-Gangetic plains and northeastern States.
- The current meteorological analysis suggests that the ongoing precipitation over northwest India is likely to continue during next 24 hours only.

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

- ✓ Mainly dry weather is likely over most parts of the country.

Source: IMD (GOI)

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