

GUAR DAILY

March 26th, 2007

SPOT MARKETS:

No significant change was reported on Saturday. Prices of guar seed and guar gum continued to remain firm on Saturday at the back of good demand from millers and restricted selling from stockists, despite weekend trading. Total arrivals on Saturday stood around 4000 bags; arrivals in Bikaner were reported to be around 300 bags. 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 firm amidst tentativeness at higher levels. The most active April contract opened up at Rs 1997 per qtl previous closing levels of Rs. 1993/qtl and settled low at Rs 1996 per qtl. April contract moved in the range of Rs. 1992-2010 per qtl. Guar gum futures at NCDEX traded firm initially but amidst predominant selling interest settled low. The most active April contract opened up at Rs 4900 per qtl, against the previous close of Rs. 4873 per qtl and settled low at Rs 4893 per qtl. April contract moved in the range of Rs. 4880-4926 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.

TECHNICALS:

Candlestick chart pattern exhibits some strength in the market. However, sellers capped some of the early gains. Stochastic is in neutral region and moving upwards following a bullish crossover. MACD is in positive region and rising slightly, which shows continuation of firm tone. Closing price is above both the 9 days and 18 days EMA. Market is expected to trade upwards following a steady to weak opening.

OUTLOOK:

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

NCDEX Guar Seed May Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed May.	2020	2030	2056	2080	2090
Guar Gum May.	4955	4977	5015	5060	5075

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- May Guar Seed above 2045 with target of 2070 then 2080 Stop loss near 2030.

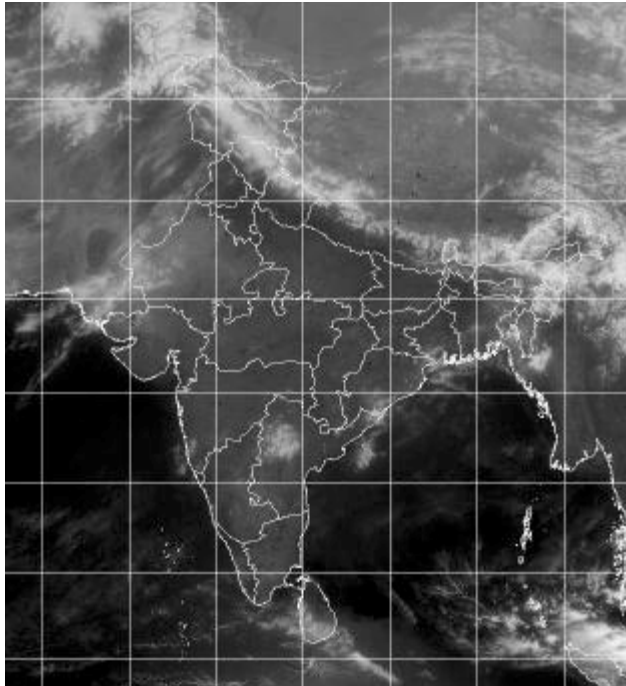
BUY NCDEX- May Guar Gum above 4995 with target of 5045 then 5060 Stop loss near 4975.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	24.03.07	23.03.07	Change
Guar Seed	Bikaner	1890	1885	+5
	Jodhpur	2000	1980	+20
	Nokha	1770	1765	+5
	Sriganganagar		-	-
Guar Gum	Jodhpur	4830	4820	+10

SATELLITE PICTURE OF MONSOON PROGRESS (24.03.07)



Monsoon Features (24.03.07)

- ✓ Numerical weather prediction models suggest that strong northwesterly winds at lower tropospheric levels are likely to prevail over Indo-Gangetic plains during next 3-4 days. Consequently generally dry weather conditions are likely over northwest and central India.

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

- ✓ No large change.

Source: IMD (GOI)

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