

## GUAR DAILY

March 31<sup>h</sup>, 2007

### SPOT MARKETS:

Guar spot market witnessed steady to weak sentiment during the Friday's trade. The prices of guar seed at the major markets of Bikaner and Nokha declined amidst lack of buying support from miller due to closing of the financial year, while prices of guar seed and guar gum stood steady at Jodhpur market on subdued trading activity. Exporters demand and stockists activity remained subdued during the Friday's trade. Consequently arrivals declined in the major market. No arrivals reported in Nokha and Bikaner mandi and overall arrivals at the major markets stood at 4000-5000 bags. Trade sources reported that some overseas demand from US and European countries observed in Jodhpur markets. Prices are likely to remain in the stronger side in coming days due to increasing overseas and domestic demand.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active May contract opened firm at Rs 2085/qtl, up by Rs. 9 against the previous close of Rs. 2076/qtl and traded upwards thereafter on increased buying interest and tested a high of Rs. 2098. However, selling pressure pushed the futures to trade downward in the later but futures finally managed to settle in the positive side. May contract moved in the range of Rs. 2072-2098/qtl and the April contract moved in the range of Rs. 2012-2035/qtl, while the guar gum April contract moved in the range of Rs. 4963-5020/qtl and the May Contract traded in the range of Rs. 5071-5125/qtl.

MCX Guar seed futures observed lacklustre trade with bearish undertone. The most active May contract opened firm at Rs. 2052 against the previous close of Rs. 2035 and traded upward initially testing a high of Rs. 2058. However, selling pressure at higher level pushed the futures to trade downward in later session but futures finally managed to settle in the positive side. May contract hover in the range of Rs. 2037-2058/qtl, while the April contract moved in the range of Rs. 1970-1987/qtl.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Exclusion of VAT on guar in Rajasthan
3. Subdued trading activity in the market

#### Bullish:

4. Expectation of higher export order in near future
5. Increased overseas demand from China
6. Stock position in Pakistan

### WEATHER IMPACT:

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

### TECHNICALS:

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

### OUTLOOK:

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

### NCDEX Guar Seed May Contract:



### SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2040	2050	2077	2105	2120
NCDEX Guar Gum May.	4987	5015	5075	5130	5155
MCX Guar Seed May.	2008	2020	2040	2065	2080

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- May Guar Seed below 2090 with target of 2065 then 2050 **Stop loss** near 2105.

**SELL** NCDEX- May Guar Gum below 5100 with target of 5060 then 5030 **Stop loss** near 5130.

### INTRADAY TRADE RECOMMENDATION (MCX):

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

Do not carry forward the position until the next day.

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	30.03.07	29.03.07	Change
Guar Seed	Bikaner	1890	1910	-20
	Jodhpur	2025	2025	-
	Nokha	1860	1870	-10
	Sriganganagar			
Guar Gum	Jodhpur	4960	4960	-

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd