

## GUAR DAILY

March 30<sup>h</sup>, 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum continue to quote higher at the majority of trading centers amidst good demand from millers against the steady arrivals. Arrival at Nokha mandi stood steady at 500-700 bags, while no arrivals reported in Bikaner. Overall arrivals at the major markets stood at 5000-7000 bags a day. Increasing overseas demand motivated the millers to remain active in the market. Good demand for guar seed from millers reported in Bikaner and Nokha mandi and stockists were releasing their stocks at higher price level. Exporters demand remained subdued during the Thursday's trade. 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 lacklustre trade with bearish tone. The most active April contract opened firm at Rs 2018/qrtl, up by Rs. 4 against the previous close of Rs. 2014/qrtl and traded upwards thereafter on increased buying interest and tested a high of Rs. 2042. However, selling pressure pushed the futures to trade downward in the later session but finally futures managed to settle in the positive side. April contract moved in the range of Rs. 2006-2042/qrtl, while the guar gum April contract moved in the range of Rs. 4952-5035/qrtl.

MCX Guar seed futures observed lacklustre trade with bearish undertone. The most active May contract opened firm at Rs. 2049 against the previous close of Rs. 2037 and traded upward initially testing a high of Rs. 2067. However, selling pressure at higher level pushed the futures to trade downward in later session but finally futures managed settle in the positive side. May contract hover in the range of Rs. 2029-2067.

### 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. Increased overseas demand from China
5. Good demand from millers and exporters
6. Stock position is almost finishing 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 exhibits weakness in the market. Sellers dominated the market. Stochastic is in neutral region and moving upwards. 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 weak opening.

### OUTLOOK:

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

#### NCDEX Guar Seed May Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2030	2042	2080	2105	2115
NCDEX Guar Gum May.	4990	5015	5082	5140	5165
MCX Guar Seed May.	2010	2025	2042	2070	2085

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- May Guar Seed below 2090 with target of 2060 then 2045 **Stop loss** near 2105.

**SELL** NCDEX- May Guar Gum below 5110 with target of 5050 then 5025 **Stop loss** near 5140.

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- May Guar Seed below 2060 with target of 2035 then 2025 **Stop loss** near 2072.

Do not carry forward the position until the next day.

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	29.03.07	28.03.07	Change
Guar Seed	Bikaner	1910	1890	+20
	Jodhpur	2025	2015	+10
	Nokha	1870	1865	+5
	Sriganganagar			
Guar Gum	Jodhpur	4960	4950	+10

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