

## GUAR DAILY

March 9th, 2007

### SPOT MARKETS:

Guar prices stood steady to slightly firm at major spot markets on the back of improved demand from millers and exporters. With millers becoming active in spot markets, stockists were seen releasing their stock gradually during Thursday's trade. While arrivals stood steady in Bikaner at 250-300 bags respectively, they improved to 150 bags from 50 bags in Nokha. The total arrivals hovered in the range of 10000-11000 bags a day. Further, emerging overseas demand, particularly from china has also contributed to the tightness witnessed in guar price position during past few days. Adding to it, the fresh western disturbance hitting on 11th-13th March is likely to affect the arrivals, as they will pick up in day or two and will remain subdued thereafter. Thus, guar market is likely to witness ups and downs in coming days.

### FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active April contract opened weak by Rs. 3 at Rs. 1914 against the previous close of Rs. 1917 and traded downwards initially testing a low of Rs. 1912. However, futures recovered on increased buying interest and settled in the positive territory. April contract moved in the range of Rs. 1942-1912 per qtl, while the March contract moved in the range of Rs. 1896-1871 per qtl. Guar gum April contract fluctuated in the range of Rs. 4795-4726/qtl, while March contract moved in the range of Rs. 4698-4630/qtl.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Stockists releasing their stock
3. Exclusion of VAT on guar in Rajasthan

#### Bullish:

4. Expectation of higher export order in near future
5. Improved demand from millers & exporters
6. 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 firm market sentiment. Buyers dominated the market. Stochastic is in neutral region and moving upwards. MACD is in positive region and moving upwards. Closing price is in 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.	1904	1916	1936	1970	1985
Guar Gum Apr.	4695	4725	4770	4835	4865

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- April Guar Seed above 1930 with target of 1955 then 1967 Stop loss near 1915.

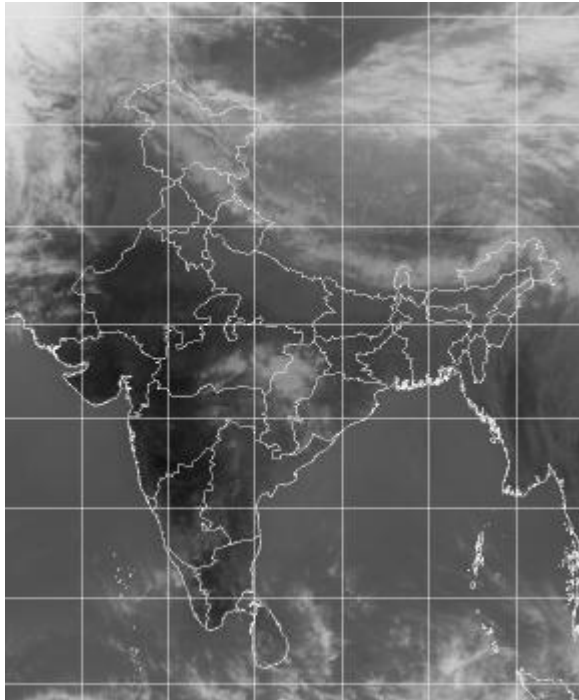
**BUY** NCDEX- April Guar Gum above 4755 with target of 4805 then 4830 Stop loss near 4730.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	08.03.07	07.03.07	Change
Guar Seed	Bikaner	1785	1785	-
	Jodhpur	1930	1925	+5
	Nokha	1730	1730	-
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4725	4700	+25

## SATELLITE PICTURE OF MONSOON PROGRESS (08.03.07)



### Monsoon Outlook (08.03.07)

- Two western disturbances in quick succession are likely to affect northwest India. Under their influence, scattered to fairly widespread precipitation is likely over Western Himalayan region from tomorrow morning till 13th. Plains of northwest India and Rajasthan are also likely to experience isolated to scattered rain/thundershowers on 9th & 10th. Subsequently, scattered to fairly widespread rain/thundershowers accompanied with isolated hail/squall is likely on 11th & 12th.
- Current Meteorological Analysis suggests rise in night temperatures by 2-3o C over Indo-Gangetic plains during next 2-3 days.

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

- Scattered to fairly widespread precipitation activity is likely to continue over northwest India and extend into east India. Isolated hail/squall is also likely over above regions

**Source:** IMD (GOI)

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