

## GUAR DAILY

March 2nd, 2007

### SPOT MARKETS:

Guar spot market witnessed firm sentiments during the Thursday's trade. The spot prices of both guar seed and guar gum quoted on stronger side in the majority of markets amidst improved demand from millers and exporters. Market sources reported that export demand from china is improving gradually. Arrivals improved marginally at all the major trading centers as no further rains forecast which disrupted on Wednesday's trade. At the Bikaner mandi it was noted at 300-400 bags, while in Nokha they stood at 250 bags. Overall arrivals increased from 9000 to 12000 bags. According to APEDA, India's guar gum exports in April-Oct 2006 rose 12.6 per cent to 1,09,481 tonnes compared to last years 97,211 tonnes. In value terms, total guar gum exports were valued at \$144.71 million, up 19.37 per cent from last year. However, there has been consecutive monthly fall in exports.

### FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active April contract opened weak at Rs. 1900, down by Rs. 1 against the previous close of Rs. 1901 and traded upwards thereafter and tested a high of Rs. 1916. However, selling pressure at higher level pushed the futures to trade downwards and settled in the negative territory. April contract moved in the range of Rs. 1916-1875 per qtl, while the March contract moved in the range of Rs. 1875-1840 per qtl. Guar gum April contract fluctuated in the range of Rs. 4660-4580/ctl, while March contract moved in the range of Rs. 4579-4492/ctl.

### PRICE DRIVERS:

#### Bearish:

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

#### Bullish:

5. Expectation of higher export order in near future
6. Some demand from millers & exporters

### 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 bearish market. Stochastic is in normal region and moving downwards following a bearish crossover. MACD is in negative region and moving downwards. Closing price is below both the 9 days and 18 days EMA, which indicates the trend will continue. Market is expected to trade downwards following a steady to weak opening.

### OUTLOOK:

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

### NCDEX Guar Seed April Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1842	1855	1878	1900	1911
Guar Gum Apr.	4500	4525	4587	4630	4650

### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- April Guar Seed below 1885 with target of 1865 then 1855 Stop loss near 1900.

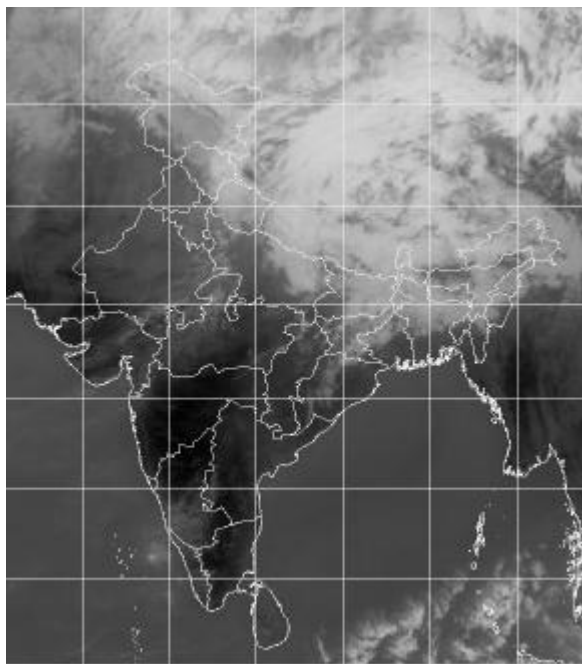
**SELL** NCDEX- April Guar Gum below 4600 with target of 4550 then 4525 Stop loss near 4630.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	01.03.07	28.02.07	Change
Guar Seed	Bikaner	1740	1735	+5
	Jodhpur	1900	1865	+35
	Nokha	1725	1720	+5
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4600	4550	+50

## SATELLITE PICTURE OF MONSOON PROGRESS (01.03.07)



### Monsoon Outlook (01.03.07)

- Under the influence of western disturbance, fairly widespread precipitation has occurred over Western Himalayan region and Indo-Gangetic plains during past 24 hours. Scattered rain/thundershowers also occurred over Rajasthan and north Madhya Pradesh. Chief amount of rainfall are : Chandigarh-9, Ambala-7, Shimla-6, Mukteshwar-5, Bhuntar-4, Malda, Batote & Sundernagar-3 each.
- The current Meteorological Analysis suggests that scattered to fairly widespread rain/snow is likely over Western Himalayan region and scattered rain/thundershowers over the northern plains except Punjab during next 24 hours. Scattered rain/thundershowers also likely over northeastern States during next 48 hours.
- Night temperatures are likely to fall by 3-4 °C and day temperatures are likely to rise by 3-4 °C over Indo-Gangetic plains during next 2-3 days.
- Another feeble western disturbance is likely to affect western Himalayan region on 3rd & 4th.

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

- Fall in night temperatures over northwest India.
- Cessation of rain/thundershowers activity over northeastern States.

### Heavy Rainfall / Hail Warning (valid for next 24 hours)

- Isolated hailstorm/squall is likely over Himachal Pradesh , Uttarakhand, Haryana, Uttar Pradesh, Bihar, and Jharkhand.

**Source:** IMD (GOI)

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