

GUAR DAILY

March 5th, 2007

SPOT MARKETS:

Guar spot market witnessed firm sentiments during the Saturday's trade. At the Jodhpur market prices of guar seed prices stood steady on subdued demand while the prices of guar gum quoted on higher side on slight demand from exporter. Markets remained closed in both Bikaner and Nokha on the eve of "Holi" festival. As no adverse weather is forecast for coming week, arrivals and trade activity are likely to gain momentum after "Holi" festival.

FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active April contract opened weak by Rs. 1 at Rs. 1878 against the previous close of Rs. 1879 and traded downwards initially and tested a low of Rs. 1875. However, buying interest supported the futures to trade upwards and settled in the positive region. April contract moved in the range of Rs. 1896-1875 per qtl, while the March contract moved in the range of Rs. 1855-1839 per qtl. Guar gum April contract fluctuated in the range of Rs. 4634-4590/qtl, while March contract moved in the range of Rs. 4544-4520/qtl.

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 firm market. Stochastic is in normal region and moving downwards. MACD is in negative region and moving upwards. Closing price is below both the 9 days and 18 days EMA. Market is expected to trade upwards following a firm opening.

OUTLOOK:

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

NCDEX Guar Seed April Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1870	1880	1895	1930	1950
Guar Gum Apr.	4565	4590	4633	4690	4715

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- April Guar Seed above 1890 with target of 1915 then 1930 **Stop loss** near 1875.

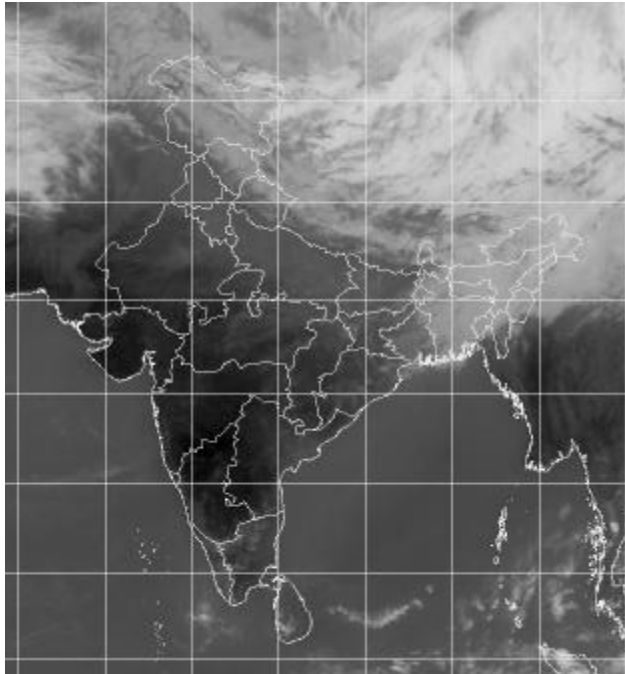
BUY NCDEX- April Guar Gum above 4620 with target of 4670 then 4690 **Stop loss** near 4590.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	03.03.07	02.03.07	Change
Guar Seed	Bikaner	NA	NA	-
	Jodhpur	1865	1865	-
	Nokha	NA	NA	-
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4540	4525	+15

SATELLITE PICTURE OF MONSOON PROGRESS (03.03.07)



Monsoon Outlook (03.03.07)

- The western disturbance has moved away eastwards. Consequently mainly dry weather will prevail over plains of northwest India, central India and most parts of east India during next 4-5 days.
- Jammu & Kashmir and Himachal Pradesh will experience isolated to scattered rain/snow on 3rd & 4th.
- Scattered to fairly widespread rain/thundershowers is likely over northeastern States and West Bengal & Sikkim during next 24 hours and mainly dry weather afterwards.
- Night temperatures are likely to fall further by 2-3 °C over Indo-Gangetic plains and adjoining central India during next 48 hours. Contrarily day temperatures will rise by 3-4 °C during the same period.

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

- Mainly dry weather over most parts of the country.

Source: IMD (GOI)

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