

GUAR DAILY

April 02nd, 2007

SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Saturday's trade. The prices of both guar seed and guar gum eased in the major markets of Bikaner and Jodhpur on weak demand from millers and exporters due to the closing of the financial year, while no auction held in Nokha. Prices are expected to improve in the new financial year, as the overseas demand is increasing day-by-day against the declining arrivals. No arrival is reported in Nokha while in Bikaner it stood at 100-150 bags. The total arrivals at the major markets stood at 4000 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active May contract opened firm at Rs 2080/qtl, up by Rs. 5 against the previous close of Rs. 2075/qtl and traded upwards initially testing a high of Rs. 2088. However, selling pressure at higher level pushed the futures to trade downwards and settled in the negative side. May contract moved in the range of Rs. 2055-2088/qtl, while the April contract moved in the range of Rs. 2003-2029/qtl. While the guar gum April contract moved in the range of Rs. 4901-4975/qtl and the May Contract traded in the range of Rs. 5021-5100/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. Lower stock position 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 following a bearish crossover. MACD is in positive region and moving down. 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.	2030	2040	2066	2090	2102
NCDEX Guar Gum May.	4945	4975	5050	5100	5135
MCX Guar Seed May.	2008	2020	2042	2065	2080

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- May Guar Seed below 2075 with target of 2050 then 2040 **Stop loss** near 2090.

SELL NCDEX- May Guar Gum below 5075 with target of 5015 then 4985 **Stop loss** near 5105.

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	31.03.07	30.03.07	Change
Guar Seed	Bikaner	1875	1890	-15
	Jodhpur	2000	2025	-25
	Nokha	NA	1860	-
	Sriganganagar			
Guar Gum	Jodhpur	4900	4960	-60

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