

GUAR DAILY

March 20th, 2007

SPOT MARKETS:

Guar seed prices softened at the back of inactive trading witnessed on Monday on account of partial solar eclipse and start of Hindu New Year. Arrivals declined and demand from millers stood steady. Prices for guar gum in Jodhpur declined further by Rs 25 per qtl as compared to prices on Saturday. Total arrivals on Friday stood at 2000-4000 bags. Adverse weather predicted over North West India and North India is likely to affect routine trading and daily arrivals. Lean season for guar seed may firm up prices of seed and gum in near future. Indian Guar gum industry is hoping to increase its exports by 10 to 15% per annum. With such buoyant sentiments India is likely to surpass Pakistan and Sudan in terms of export of Guar gum in near future.

FUTURES MARKETS:

NCDEX Guar seed futures traded weak amidst bearish undertone. The most active April contract opened at Rs 1951 per qtl previous closing levels of Rs. 1953/qtl and settled low at Rs 1948 per qtl. April contract moved in the range of Rs. 1939-1959 per qtl. Guar gum futures at NCDEX traded sideways with slight bearish undertone. The most active April contract opened low at Rs 4811, against the previous close of Rs. 4790 and settled at Rs 4778 per qtl. April contract moved in the range of Rs. 4765-4811 per qtl.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Inactive trading on account of Hindu New Year and Partial Solar Eclipse.
3. Exclusion of VAT on guar in Rajasthan

Bullish:

4. Expectation of higher export order in near future
5. Improved overseas demand

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 weak indecisive market. Stochastic is in neutral region and moving downwards. The %K line likely to cross % D line from above that signalling some weakness in medium term. MACD is in positive region and moving southwards. Closing price is above both the 9 days and 18 days EMA. Market is expected to trade upwards following a steady to weak opening.

OUTLOOK:

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

NCDEX Guar Seed April Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1915	1928	1948	1985	2000
Guar Gum Apr.	4660	4700	4778	4865	4900

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- April Guar Seed above 1940 with target of 1965 then 1978 Stop loss near 1925.

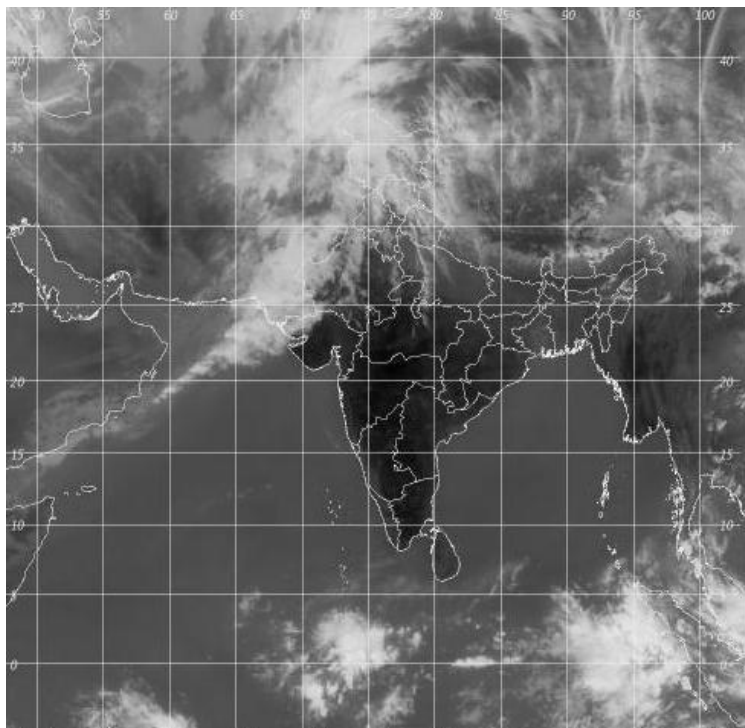
BUY NCDEX- April Guar Gum above 4755 with target of 4815 then 4845 Stop loss near 4725.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	19.03.07	17.03.07	Change
Guar Seed	Bikaner	1823	1830	-7
	Jodhpur	1925	1935	-10
	Nokha	1750	1760	-10
	Sriganganagar	-	-	-
Guar Gum	Jodhpur	4725	4750	-25

SATELLITE PICTURE OF MONSOON PROGRESS (19.03.07)



Monsoon Features (19.03.07)

- Currently, a western disturbance lies over north Pakistan and adjoining Jammu & Kashmir with its induced system over south Pakistan and adjoining West Rajasthan. The numerical weather prediction models suggest slow movement of the system. Under this scenario, precipitation is likely at many places over Western Himalayan region during next 3 days. Isolated to scattered rain/thundershowers accompanied with hail/squall is also likely over the plains of the northwest India and Rajasthan
- Both night and day temperatures are near normal over northwest India and appreciably above normal over Rajasthan and adjoining central India.

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

- ✓ Isolated hailstorm/squall is likely over northwest India and Rajasthan during the same period.

Source: IMD (GOI)

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