

## GUAR DAILY

April 16th, 2007

### SPOT MARKETS:

Guar spot market witnessed firm sentiment during the Saturday's trade. Prices of both guar seed and guar gum quoted higher at the majority of markets amidst good demand from processors and exporters. Consequently stockists too remained in the market. Sources reported that the stockists are holding back their stocks in anticipation of higher prices. Overall fundamental remains bullish in the market. Prices are expected to remain firm in coming days on increasing domestic and overseas demand against the higher quotes of stockists. Moreover, the price movement will also depend on the Metrological Department's 1<sup>st</sup> monsoon survey, which is expected after mid-April. Overall arrival reportedly stood steady at around 4000-5000 bas. In Bikaner mandi arrival stood steady at 150-200 bags, while in Nokha arrivals declined from 600-400 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened firm at Rs 2138/qrtl, up Rs 4 against the previous close of Rs 2134/qrtl and traded downwards initially testing a low of Rs 2119/qrtl. However, increased buying interest at lower level supported the futures to traded upwards and settled in the positive side. May contract moved in the range of Rs. 2119-2152/qrtl, while the April contract moved in the range of Rs. 2039-2077/qrtl. Guar gum April contract moved in the range of Rs. 5020-5100/qrtl and the May Contract traded in the range of Rs. 5170-5260/qrtl. Volume declined significantly while open interest declined marginally.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Exclusion of VAT on guar in Rajasthan

#### Bullish:

3. Expectation of higher export order in near future
4. Increasing overseas demand
5. Lower stock position in Pakistan
6. Higher price in Pakistan
7. 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 bullish sentiment and firmness in prices. Stochastic and RSI moving is rising in neutral region. MACD is also rising in neutral region. Closing price is well above both the 9 days and 18 days EMA that indicates short-term firmness in prices. The market is expected to trade upwards following steady to slightly firm opening with possibility slight late downward movement.

### OUTLOOK:

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

#### NCDEX Guar Seed May Contract:



### SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2111	2129	2145	2185	2190
NCDEX Guar Gum May.	5186	5204	5235	5295	5305
MCX Guar Seed May.					

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- May Guar Seed above 2140 with target of 2160 then 2170 Stop loss near 2130.

**BUY** NCDEX- May Guar Gum above 5230 with target of 5260 then 5280 Stop loss near 5215.

**Do not carry forward the position until the next day.**

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	14.04.07	13.04.07	Change
Guar Seed	Bikaner	1950	1920	+45
	Jodhpur	2065	2045	+30
	Nokha	1890	1880	+25
Guar Gum	Sriganganagar			
	Jodhpur	5125	5050	+75

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