

## GUAR DAILY

May 1st, 2007

### SPOT MARKETS:

Guar spot market remained firm during Monday's trade. The prices of both guar seed and guar gum quoted higher at the majority of market on some demand from processors against lower arrivals, while prices remained unchanged in Nokha on subdued trade. Some demand from exporters also reported during the Monday's trade, as slight improvement in dollar motivated them to remain active in the market. Stockists activity remained subdued in the market. Consequently, overall arrivals declined in the market and noted at 4500-5000 bags. No arrivals reported in Bikaner and Nokha markets. Some improvement in prices expected in coming days due to lower arrivals in the market. However, no major uptrend is expected in prices until unless export activity improves which only happen when dollar appreciate.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed narrow range bound trade with slightly bullish tone. June contract opened firm at Rs 1922/mt, up Rs 4 against the previous close of Rs 1918/mt and traded both side in the range of Rs 1880-1941/mt and finally settled at Rs 1925/mt. June contract traded in the range of Rs 1880-1941/mt and the May contract traded in the range of Rs. 1834-1888/mt. Guar gum May contract moved in the range of Rs. 4531-4650/mt and the June Contract traded in the range of Rs. 4615-4749/mt. Volume and open interest both increased significantly.

MCX Guar seed futures observed lackluster trade with slightly bullish tone. June contract opened firm at Rs 1920.00 against the previous close of Rs 1915.00 and traded both side in the range of Rs 1880-1934 and finally settled at Rs 1920.00. May contract fluctuated in the range of Rs 1836.00-1842.00/mt. Volume increased significantly while open interest increased marginally.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Strengthening in Rupees Vs Dollar
3. Lower demand from exporters

#### Bullish:

4. Expectation of higher export order in near future
5. IMD predicted 5% below average monsoon
6. Lower stock & higher prices in Pakistan
7. Lower arrivals in the market

### WEATHER IMPACT:

Conflicting weather reports from IMD and foreign sources. IMD sees 5% lower rains, while others see normal or excess rains.

### TECHNICALS:

Candlestick formed doji pattern at lower level, which indicates reversal. Long lower shadow reflects good buying at lower level. Stochastic and RSI is moving upward in oversold region. So, prices may bounce back from the current level. MACD is moving downward in negative region. Closing price is below the short term EMA. The market is expected to trade upwards following steady to slightly firm opening.

### OUTLOOK:

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

### NCDEX Guar Seed June Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed June.	1883	1908	1925	1988	2000
NCDEX Guar Gum June.	4653	4678	4705	4805	4838
MCX Guar Seed June.	1880	1895	1920	1978	1992

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- June Guar Seed above 1928 with target of 1953 then 1968 Stop loss near 1915.

**BUY** NCDEX- June Guar Gum above 4728 with target of 4768 then 4788 Stop loss near 4708.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- June Guar Seed above 1921 with target of 1946 then 1958 Stop loss near 1908.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	30.04.07	28.04.07	Change
Guar Seed	Bikaner	1770	1760	+10
	Jodhpur	1900	1860	+40
	Nokha	1750	1750	-
Guar Gum	Sriganganagar			
	Jodhpur	4700	4625	+75

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