

## GUAR DAILY

April 23rd, 2007

### SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Saturday's trade. The prices of both guar seed and guar gum eased at the majority of markets amidst weak demand from exporter. Strengthening Rupees Vs Dollar further contributed to the weakness in the market, as it makes export expensive from India. Stockists and miller remained silent in the market whereas exporters are waiting for decline in Rupees. Rest of the fundamental remains bullish in the market. Further, IMD predicted 5% below normal rains for upcoming monsoon, which impart some bullishness in the prices. Thus, prices are expected to remain firm in coming days on the forecast of below average monsoon. Moreover, the price movement would also depend on 2nd forecast of monsoon by IMD, which is expected by May end/beginning June. Total arrival at the majority of markets reportedly stood steady at 4000-5000 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active June contract opened slightly weak at Rs 2115/qrtl, down Rs 1 against the previous close of Rs 2116/qrtl and traded upwards initially testing a high of Rs 2123/qrtl. However, futures tumbled thereafter on increased selling pressure and settled in the negative side. June contract moved in the range of Rs. 2082-2123/qrtl, while the May contract moved in the range of Rs. 2031-2064/qrtl. Guar gum May contract moved in the range of Rs. 4905-5025/qrtl and the June Contract traded in the range of Rs. 5011-5134/qrtl.

MCX Guar seed futures observed weak sentiment with bearish undertone. June contract opened firm at Rs 2150.00 against the previous close of Rs 2117.50 and traded upwards initially testing a high of Rs 2155.00. However, futures traded downwards thereafter on increased selling pressure and finally settled in the negative side. June contract moved in the range of Rs 2086.00-2155.00, while the May contract fluctuated in the range of Rs 2035.00-2061.00. Volume declined significantly while open interest declined marginally.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Strengthening in Rupees Vs Dollar

#### 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 bearish sentiment and weakness in prices. Stochastic is moving downward towards oversold region and MACD is moving downward towards negative region, which shows increase in bearish momentum. Closing price is below the short term EMA. The market is expected to trade downwards following steady to slightly firm opening with possibility slight late downward movement.

### OUTLOOK:

Guar seed futures are expected to trade downwards 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.	2027	2039	2084	2101	2116
NCDEX Guar Gum June.	4914	4935	5011	5050	5074
MCX Guar Seed June.	2034	2048	2088	2110	2123

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- June Guar Seed above 2088 with target of 2066 then 2051 Stop loss near 2099.

**SELL** NCDEX- June Guar Gum above 5016 with target of 4976 then 4956 Stop loss near 5036.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- June Guar Seed above 2096 with target of 2074 then 2059 Stop loss near 2107.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	21.04.07	20.04.07	Change
Guar Seed	Bikaner	1860	1890	-30
	Jodhpur	1990	2015	-25
	Nokha	1845	1860	-15
Guar Gum	Sriganganagar			
	Jodhpur	4935	5000	-65

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