

## GUAR DAILY

April 03rd, 2007

### SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Monday's trade. The prices guar seed eased in the majority of markets on weak demand from millers, while the prices of guar gum stood steady at the Jodhpur market on subdued trading activity from exporters. Overall arrivals at the major markets stood at 4000-6000 bags a day. Arrivals at the Bikaner market stood steady at 100-150 bags while in Nokha arrivals stood at 600-700 bags. Increased arrivals in some of the market also depressed the prices during the Monday's trade. However, in coming days prices are expected to improve amidst increasing overseas and domestic demand against declining arrivals.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active May contract opened flat at its previous close of Rs 2066/mtl and traded upwards initially testing a high of Rs. 2078. However, increased 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. 2034-2078/mtl, while the April contract moved in the range of Rs. 1979-2018/mtl. While the guar gum April contract moved in the range of Rs. 4875-4960/mtl and the May Contract traded in the range of Rs. 4991-5080/mtl.

MCX Guar seed futures observed weak sentiment with bearish undertone. May contract opened weak at Rs. 2030/mtl, down Rs. 12 against the previous close of Rs. 2042/mtl and traded upwards initially testing a high of Rs. 2040/mtl. However, increased selling pressure pushed the futures to trade downwards and settled in the negative side. May contract traded in the range of Rs. 2001-2040/mtl.

### 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 downwards 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 weak opening.

### OUTLOOK:

Guar seed futures are expected to trade range bound with weak undertone following a steady to weak opening.

#### NCDEX Guar Seed May Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	1990	2005	2036	2060	2070
NCDEX Guar Gum May.	4890	4925	4995	5045	5070
MCX Guar Seed May.	1970	1980	2002	2020	2030

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- May Guar Seed below 2045 with target of 2020 then 2005 **Stop loss** near 2060.

**SELL** NCDEX- May Guar Gum below 5015 with target of 4965 then 4940 **Stop loss** near 5040.

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** NCDEX- May Guar Seed below 2010 with target of 1990 then 1980 **Stop loss** near 2020.

Do not carry forward the position until the next day.

**GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:**

Commodity	Centres	02.04.07	31.03.07	Change
Guar Seed	Bikaner	1865	1875	-10
	Jodhpur	1975	2000	-25
	Nokha	1845	NA	-
	Sriganganagar			
Guar Gum	Jodhpur	4900	4900	-

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