

## GUAR DAILY

April 18th, 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum eased further at the majority of markets on weak demand from exporters during the Tuesday's trade. Consequently millers and stockists activity remained subdued in the market. Meanwhile, increase in Rupees Vs Dollar is also affected the market sentiment as it makes export expensive from India. Thus, some weakness is expected in prices in short term. Price movement in futures and spot market will also depend on the Metrological Department's first monsoon forecast, which is expected after mid-April. On other hand stocks in the market are ample but most are with stockists who are refusing to offload in anticipation of higher prices, which impart bullishness in the market. Total arrival at the majority of markets reportedly stood steady at 4000-5000 bags. In Nokha arrival stood 350-400 bags, while no arrivals reported in Bikaner.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed lacklustre trade with bearish undertone. The most active May contract opened weak at Rs 2099/mt, down Rs 1 against the previous close of Rs 2100/mt and traded upwards initially testing a high of Rs 2109/mt. However, futures traded downward thereafter on increased selling pressure and settled in the negative side. May contract moved in the range of Rs. 2066-2109/mt, while the April contract moved in the range of Rs. 2005-2040/mt. Guar gum April contract moved in the range of Rs. 4887-4965/mt and the May Contract traded in the range of Rs. 5041-5130/mt.

MCX Guar seed futures observed lacklustre trade with bearish undertone. The active May contract opened firm at Rs 2096, down Rs 4 against the previous close of Rs 2092.50 and traded upwards initially testing a high of Rs 2103. However, futures traded downward on increased selling pressure and finally settle in the negative side. May contract moved in the range of Rs 2067-2103. Volume and 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.

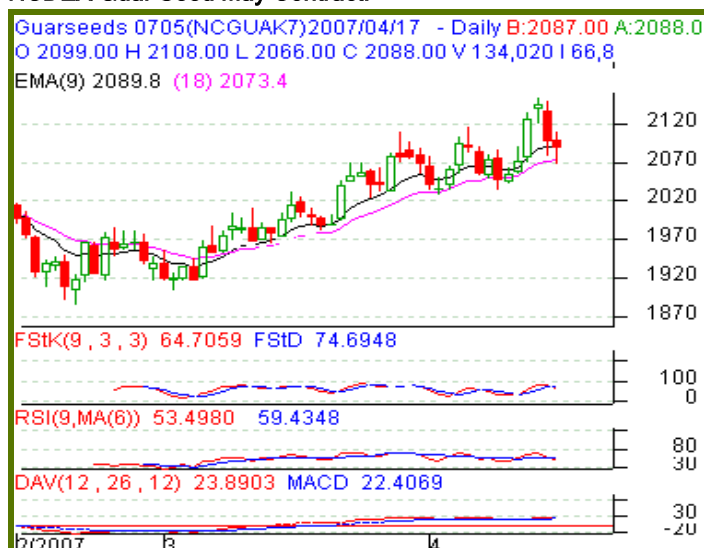
### TECHNICALS:

Candlestick chart pattern exhibits bearish sentiment. Prices bounced back from the support level, which reflects in the long lower shadow. Stochastic and MACD is moving downward. Closing price is between the 9 days and 18 days EMA, which indicated short-term firmness in prices. The market is expected to trade upwards following steady to slightly weak opening with possibility slight late downward movement.

### OUTLOOK:

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

#### NCDEX Guar Seed May Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2065	2075	2088	2123	2131
NCDEX Guar Gum May.	5040	5055	5072	5121	5135
MCX Guar Seed May.	2066	2072	2086	2115	2124

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- May Guar Seed above 2084 with target of 2099 then 2113 Stop loss near 2076.

**BUY** NCDEX- May Guar Gum above 5069 with target of 5094 then 5105 Stop loss near 5057.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- May Guar Seed above 2082 with target of 2097 then 2107 Stop loss near 2074.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	17.04.07	16.04.07	Change
Guar Seed	Bikaner	1890	1910	-20
	Jodhpur	2020	2030	-10
	Nokha	1855	1870	-15
Guar Gum	Sriganganagar			
	Jodhpur	5000	5025	-25

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd