

GUAR DAILY

April 24th, 2007

SPOT MARKETS:

The prices of guar seed remained unmoved at the majority of markets on subdued trading activity, while the prices of guar gum at Jodhpur market declined on weak demand from exporters. Strengthening Rupees against Dollar further added to bearishness in the market as it makes export expensive from India. Stockists and millers activity remained subdued in the market whereas exporters are waiting for decline in Rupees. Some reports of holding back of stock by stockists in anticipation of higher prices reportedly in the market, which impart bullishness in the market. Rest of the fundamentals remains bullish in the market. Moreover, the forecast of below average monsoon by IMD would impart bullishness in the market. Thus, firmness is expected in the prices in coming days. Total arrival at the majority of markets reportedly stood steady at 4000-5000 bags. No arrivals reported in Nokha and Bikaner.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active June contract opened weak at Rs 2081/qrtl, down Rs 8 against the previous close of Rs 2089/qrtl and traded downwards thereafter on increased selling pressure testing a low of Rs 2041/qrtl and finally settled in the negative side. June contract moved in the range of Rs. 2041-2087/qrtl, while the May contract moved in the range of Rs. 1991-2030/qrtl. Guar gum May contract moved in the range of Rs. 4770-4903/qrtl and the June Contract traded in the range of Rs. 4879-5019/qrtl.

MCX Guar seed futures observed weak sentiment with bearish undertone. June contract opened weak at Rs 2065.00 against the previous close of Rs 2088.50 and traded upwards initially testing a high of Rs 2087.00. However, futures traded downwards thereafter on increased selling pressure and finally settled in the negative side. June contract moved in the range of Rs 2048.00-2087.00, while the May contract fluctuated in the range of Rs 1995.00-2032.00. Volume declined marginally while open interest increased 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 in oversold region and MACD is moving downward in negative region, which shows increase in bearish momentum. Closing price is far below the short term EMA. The market is expected to trade downwards following steady to slightly weak opening with possibility slight late upward movement.

OUTLOOK:

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

NCDEX Guar Seed June Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed June.	1975	1985	2042	2060	2075
NCDEX Guar Gum June.	4790	4800	4879	4926	4961
MCX Guar Seed June.	1982	1995	2048	2052	2070

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- June Guar Seed above 2044 with target of 2019 then 2004 Stop loss near 2057.

SELL NCDEX- June Guar Gum above 4880 with target of 4840 then 4820 Stop loss near 4900.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- June Guar Seed above 2042 with target of 2022 then 2007 Stop loss near 2052.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	23.04.07	21.04.07	Change
Guar Seed	Bikaner	1860	1860	-
	Jodhpur	1990	1990	-
	Nokha	1845	1845	-
Guar Gum	Sriganganagar			
	Jodhpur	4865	4935	-70

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