

## GUAR DAILY

April 13th, 2007

### SPOT MARKETS:

Guar spot market witnessed firm sentiment during the Thursday's trade. The prices of both guar seed and guar gum quoted higher at the majority of markets amidst good buying support from processors and exporters against the higher quotes of stockists. Traders reported that the guar gum demand from exporters increased significantly at Jodhpur and Nokha markets as some fresh orders placed by US and European countries. Consequently processors and stockists remained active in the market and stockists were quoting higher prices for guar seed. Thus, prices are expected to remain firm in the coming days due to increasing demand from processors against higher quotes of stockists. Total arrivals at the majority of markets stood at 4000-5000 bags. In Bikaner mandi arrival stood steady at 150-200 bags, while in Nokha arrivals stood at 500-600 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened slightly firm at Rs 2056/mtl, up Rs 1 against the previous close of Rs 2055/mtl and traded downwards initially testing a low of Rs 2054/mtl. However, increased buying interest supported the futures to traded upwards and settled in the positive territory. May contract moved in the range of Rs. 2054-2090/mtl, while the April contract moved in the range of Rs. 1995-2023/mtl. Guar gum April contract moved in the range of Rs. 4933-4990/mtl and the May Contract traded in the range of Rs. 5040-5111/mtl.

MCX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened at its previous close of Rs 2033/mtl and traded upwards on increased buying interest testing a high of Rs 2062/mtl and finally settled in the positive side. May contract traded in the range of Rs. 2033-2062/mtl.

### 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 bullish sentiment. Stochastic is about to make bullish cross over in neutral region, while RSI has made bullish cross in neutral region. MACD is moving downward in neutral region. Closing price is above both the 9 days and 18 days EMA that indicates short-term firmness in prices. The market is expected to trade upwards following steady to slightly firm opening with possibility slight late downward movement.

### OUTLOOK:

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

#### NCDEX Guar Seed May Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2033	2052	2072	2120	2135
NCDEX Guar Gum May.	5011	5033	5060	5151	5167
MCX Guar Seed May.	2025	2036	2046	2095	2105

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- May Guar Seed above 2076 with target of 2094 then 2108 Stop loss near 2066.

**BUY** NCDEX- May Guar Gum above 5062 with target of 5097 then 5126 Stop loss near 5044.

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- May Guar Seed above 2048 with target of 2066 then 2081 Stop loss near 2038.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.04.07	11.04.07	Change
Guar Seed	Bikaner	1875	1870	+5
	Jodhpur	2015	2000	+15
	Nokha	1855	1845	+10
Guar Gum	Sriganganagar			
	Jodhpur	4975	4950	+25

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