

GUAR DAILY

April 10th, 2007

SPOT MARKETS:

Guar seed prices at the major markets of Bikaner and Jodhpur remained steady on subdued demand, while prices eased slightly in Nokha on weak demand from millers. On other hand prices of guar gum quoted on higher side on some demand from exporters. Millers and stockists activity remained subdued in the market during the Monday's trade. Moreover, some fresh reports of overseas demand for guar gum from China and US in the market. Total arrivals at the major markets stood at 4000-5000 bags. In Bikaner mandi arrival stood at 100-150 bags, while in Nokha arrivals stood at 400-500 bags. Thus, prices are likely to remain in the stronger side in coming days on increasing overseas and domestic demand coupled with higher quotes of stockists.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened weak at Rs 2053/qrt against the previous close of Rs 2057 and traded downward initially testing a low of Rs 2047/qrt. However, futures traded upwards thereafter on increased buying interest and settled in the positive side. May contract moved in the range of Rs. 2047-2079/qrt, while the April contract moved in the range of Rs. 1988-2013/qrt. While the guar gum April contract moved in the range of Rs. 4913-4989/qrt and the May Contract traded in the range of Rs. 5040-5090/qrt.

MCX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened weak at Rs 2013/qrt against the previous close of Rs 2021/qrt and traded upwards on increased buying interest testing a high of Rs. 2053/qrt and settled in the positive side. May contract traded in the range of Rs. 2013-2053/qrt.

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

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 and firmness in prices. Technical indicator Stochastic is rising in neutral region, while RSI is moving downward in neutral region. MACD is rising in positive region. Closing price is above both the 9 days and 18 days EMA that indicates short-term firmness in prices. 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.	2047	2060	2074	2120	2132
NCDEX Guar Gum May.	5050	5065	5080	5155	5170
MCX Guar Seed May.	2026	2033	2050	2100	2115

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- May Guar Seed above 2076 with target of 2096 then 2108 Stop loss near 2065.

BUY NCDEX- May Guar Gum above 5088 with target of 5118 then 5138 Stop loss near 5073.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- May Guar Seed above 2054 with target of 2074 then 2086 Stop loss near 2041.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	09.04.07	07.04.07	Change
Guar Seed	Bikaner	1890	1890	-
	Jodhpur	2010	2010	-
	Nokha	1850	1860	-10
	Sriganganagar			
Guar Gum	Jodhpur	4985	4975	+10

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