

GUAR DAILY

April 04th, 2007

SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Tuesday's trade. The prices both guar seed and guar gum continued to decline in the majority of markets on lack of buying support from millers and exporter. Stockists activity also remand silent in the market. Consequently arrivals declined at the major market and it is reported at 4000 bags a day. In Bikaner mandi arrival stood at 100-150 bags, while in Nokha arrivals declined from 700 bags to 500 bags. Prices are likely to remain in the higher side in coming days due to the expectation of higher export order of 210000 tonnes against the earlier estimates of 184000 tonnes due to gradually increasing overseas demand.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed lacklustre trade with bullish tone. The most active May contract opened weak at Rs 2033/ctl and traded both side in the range of Rs. 2026-2051/ctl and finally settled in the negative side at Rs. 2036/ctl. May contract moved in the range of Rs. 2026-2051/ctl, while the April contract moved in the range of Rs. 1966-1994/ctl. While the guar gum April contract moved in the range of Rs. 4770-4915/ctl and the May Contract traded in the range of Rs. 4960-5052/ctl.

MCX Guar seed futures observed lacklustre trade with bearish undertone. May contract opened weak at Rs. 2005/ctl, down Rs. 2 against the previous close of Rs. 2007/ctl and traded upwards initially testing a high of Rs. 2016/ctl. However, increased selling pressure pushed the futures to trade downwards and settled in the negative side. May contract moved in the range of Rs. 19931-2016/ctl.

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. Increasing overseas demand
6. Lower stock position in Pakistan
7. 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 weakness in the market. However, sellers dominated the market. Stochastic is in neutral region and moving downwards. MACD is in negative region and moving marginally down. Closing price is below both the 9 days and 18 days EMA. Market is expected to trade downwards following steady to slightly firm opening with late upwards movement.

OUTLOOK:

Guar seed futures are expected to trade downwards 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.	1991	1998	2036	2063	2073
NCDEX Guar Gum May.	4709	4897	4984	5019	5045
MCX Guar Seed May.	1945	1958	1997	2011	2020

INTRADAY TRADE RECOMMENDATION (NCDEX & MCX):

SELL NCDEX- May Guar Seed below 2043 with target of 2018 then 2008 Stop loss near 2056.

SELL NCDEX- May Guar Gum below 4997 with target of 4952 then 4932 Stop loss near 5020.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- May Guar Seed below 2004 with target of 1982 then 1972 Stop loss near 2015.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	03.04.07	02.04.07	Change
Guar Seed	Bikaner	1860	1865	-5
	Jodhpur	1975	1980	-5
	Nokha	1840	1845	-5
	Sriganganagar			
Guar Gum	Jodhpur	4875	4900	-25

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