

GUAR DAILY

April 14th, 2007

SPOT MARKETS:

The prices of both guar seed and guar gum remained firm at the majority of markets during the Friday's trade on good demand from millers and exporters. Stockists were also remained active in the market. Sources reported that the stockists are holding back their stocks in anticipation of higher prices. Overall fundamental remains bullish in the market. Moreover, the firmness in the futures market also supported the spot market sentiment. Prices are expected to remain firm in coming days on increasing domestic and overseas demand against the 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 and 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 firm at Rs 2075/qrt, up Rs 4 against the previous close of Rs 2071/qrt and traded downwards initially testing a low of Rs 2069/qrt. However, increased buying interest at lower level supported the futures to traded upwards and settled in the positive side. May contract moved in the range of Rs. 2069-2134/qrt, while the April contract moved in the range of Rs. 1968-2054/qrt. Guar gum April contract moved in the range of Rs. 4932-5059/qrt and the May Contract traded in the range of Rs. 5058-5209/qrt. Volume and open interest both increased significantly.

MCX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened weak at Rs 2038 against the previous close of Rs 2046/qrt. However, traded upwards on increased buying interest tested a high of Rs 2114/qrt and finally settled in the positive side. May contract traded in the range of Rs. 2038-2114/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
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 and firmness in prices. Stochastic has made bullish cross over in neutral region, while RSI is rising in neutral region. MACD has made bullish cross over 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.	2111	2122	2134	2190	2200
NCDEX Guar Gum May.	5162	5182	5200	5290	5295
MCX Guar Seed May.	2083	2097	2110	2180	2185

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- May Guar Seed above 2135 with target of 2160 then 2180 Stop loss near 2122.

BUY NCDEX- May Guar Gum above 5210 with target of 5250 then 5280 Stop loss near 5190.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- May Guar Seed above 2114 with target of 2144 then 2169 Stop loss near 2099.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	13.04.07	12.04.07	Change
Guar Seed	Bikaner	1920	1875	+45
	Jodhpur	2045	2015	+30
	Nokha	1880	1855	+25
Guar Gum	Sriganganagar			
	Jodhpur	5050	4975	+75

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