

GUAR DAILY

April 11th, 2007

SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Tuesday's trade. The prices of both guar seed and guar gum eased at the majority of markets due to lack of buying support from millers and exporters. Stockists activity also remained subdued in the market. But some reports of hoarding activity by stockists reportedly in the market. Overall fundamental remains bullish in the market. However, weakness in futures market affected the spot market sentiment. Total arrivals at the major markets stood at 4000-5000 bags. In Bikaner mandi arrival stood steady at 100-150 bags, while in Nokha arrivals stood at 300-400 bags. Prices expected to remain firm in coming days due to good overseas and domestic demand.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active May contract opened firm at Rs 2075/qrtl, up Rs 3 against the previous close of Rs 2072/qrtl and traded upward testing a high of Rs 2087/qrtl. However, futures traded downwards thereafter on increased selling pressure and settled in the negative side. May contract moved in the range of Rs. 2033-2087/qrtl, while the April contract moved in the range of Rs. 1977-2023/qrtl. While the guar gum April contract moved in the range of Rs. 4893-5000/qrtl and the May Contract traded in the range of Rs. 5000-5119/qrtl.

MCX Guar seed futures observed lacklustre trade with bearish undertone. The most active May contract opened firm at Rs 2053/qrtl against the previous close of Rs 2046.50/qrtl and traded upwards initially testing a high of Rs. 2061/qrtl. However, futures traded downwards thereafter on increased selling pressure and settled in the negative side. May contract traded in the range of Rs. 2010-2061/qrtl.

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 bearish sentiment. Technical indicator Stochastic and RSI is rising in neutral region and moving downward in neutral region. MACD has made a bearish cross over in positive region. Closing price is below the short term EMA. However, prices bounce back from the major support level. Thus, 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.	2025	2037	2046	2096	2107
NCDEX Guar Gum May.	5000	5018	5035	5140	5152
MCX Guar Seed May.	2000	2010	2015	2064	2074

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- May Guar Seed above 2050 with target of 2070 then 2085 Stop loss near 2040.

BUY NCDEX- May Guar Gum above 5040 with target of 5090 then 5115 Stop loss near 5015.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- May Guar Seed above 2020 with target of 2040 then 2054 Stop loss near 2010.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	10.04.07	09.04.07	Change
Guar Seed	Bikaner	1865	1890	-25
	Jodhpur	1995	2010	-15
	Nokha	1835	1850	-15
	Sriganganagar			
Guar Gum	Jodhpur	4950	4985	-35

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