

GUAR DAILY

April 12th, 2007

SPOT MARKETS:

Spot prices of guar seed quoted slightly higher at the majority of markets on some buying support from millers, while the prices of guar gum remained unchanged at the Jodhpur markets on subdued demand from exporters. Mainly millers and stockists remained active during the Wednesday's trade. Overall fundamental remains moderately bullish in the short term. Thus, prices are expected to bounce back from these levels. 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 400-500 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed narrow range bound trade with bullish tone. The most active May contract opened slightly firm at Rs 2044/qrtl, up Rs 1 against the previous close of Rs 2043/qrtl and traded upwards testing a high of Rs 2059/qrtl and finally settled in the positive side. May contract moved in the range of Rs. 2042-2062/qrtl, while the April contract moved in the range of Rs. 1986-2003/qrtl. Guar gum April contract moved in the range of Rs. 4925-4974/qrtl and the May Contract traded in the range of Rs. 5024-5065/qrtl.

MCX Guar seed futures observed narrow range bound trade with bullish tone. The most active May contract opened firm at Rs 2025/qrtl against the previous close of Rs 2018/qrtl and traded downwards initially testing a low of Rs. 2018/qrtl. However, futures traded upwards thereafter on increased buying interest and settled in the positive side. May contract traded in the range of Rs. 2018-2036/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.

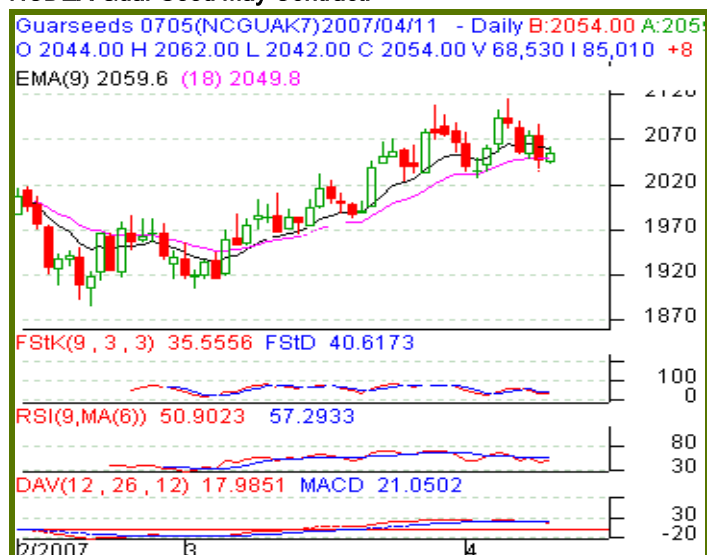
TECHNICALS:

Candlestick chart pattern exhibits bearish sentiment. Technical indicator Stochastic and RSI is moving upward in neutral region. MACD has made a bearish cross over in positive region. Closing price is below the 9 day EMA but managed to settle above the 18 days EMA where it might get support. 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	2046	2054	2095	2105
NCDEX Guar Gum May.	5000	5010	5027	5090	5101
MCX Guar Seed May.	2024	2016	2031	2067	2071

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- May Guar Seed above 2058 with target of 2073 then 2083 Stop loss near 2049.

BUY NCDEX- May Guar Gum above 5033 with target of 5060 then 5075 Stop loss near 5019.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- May Guar Seed above 2034 with target of 2049 then 2058 Stop loss near 2025.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.04.07	10.04.07	Change
Guar Seed	Bikaner	1870	1865	+5
	Jodhpur	2000	1995	+5
	Nokha	1845	1835	+10
	Sriganganagar			
Guar Gum	Jodhpur	4950	4950	-

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