

## GUAR DAILY

April 09th, 2007

### SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Saturday's trade. The prices both guar seed and guar gum eased at the majority of markets amidst weak demand from exporters and millers. Moreover, the weakness in the futures market also affected the spot market sentiment. Sources reported that the China and US has placed some fresh orders of guar gum and some reports of hoarding activities by stockists in the market. Total arrivals at the major markets stood at 4000 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 weak sentiment with bearish undertone. The most active May contract opened weak at Rs. 2083/qrtl against the previous close of Rs. 2087 traded upwards initially testing a high of Rs. 2090/qrtl. However, futures traded downwards on increased selling pressure and settled in the negative side. May contract moved in the range of Rs. 2053-2090/qrtl, while the April contract moved in the range of Rs. 1991-2028/qrtl. While the guar gum April contract moved in the range of Rs. 4916-4970/qrtl and the May Contract traded in the range of Rs. 5030-5155/qrtl.

MCX Guar seed futures observed weak sentiment with bearish undertone. The most active May contract opened flat at its previous close of Rs. 2049.00/qrtl and traded upwards initially testing a high of Rs. 2052.00/qrtl. However, increased selling pressure at higher level pushed the futures to trade downwards and settled in the negative side. May contract moved in the range of Rs. 2016-2052/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 downward in neutral region. MACD is in positive region and moving slightly downward. Closing price is below both the 9 days and 18 days EMA that indicates short-term weakness in prices. Market is expected to trade downwards following steady to slightly firm opening with possibility slight late upward movement.

### OUTLOOK:

Guar seed futures are expected to trade downwards following a steady to slightly firm opening

#### MCX Guar Seed May Contract:



### SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.			2054		
NCDEX Guar Gum May.			5030		
MCX Guar Seed May.	1951	1972	2021	2050	2066

### INTRADAY TRADE RECOMMENDATION (NCDEX):

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- May Guar Seed above 2030 with target of 2010 then 1996 Stop loss near 2041.

Do not carry forward the position until the next day.

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	07.04.07	06.04.07	Change
Guar Seed	Bikaner	1890	1910	-20
	Jodhpur	2015	2025	-10
	Nokha	1860	1870	-10
	Sriganganagar			
Guar Gum	Jodhpur	4975	5025	-50

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