

GUAR DAILY

April 07th, 2007

SPOT MARKETS:

Guar spot market witnessed firm sentiment during the Friday's trade. The prices both guar seed and guar gum quoted at the higher side at the majority of markets amidst good demand from exporters and millers against the higher quotes of guar seed by stockists. Exporters and millers remained active in the market during Friday's trade, as overseas demand is increasing steadily. Sources reported that the China and US has placed some fresh orders of guar gum. Consequently stockists too remained active in the market and they were seen releasing their stock at higher prices level. Total arrivals at the major markets stood at 4000-5000 bags. In Bikaner mandi arrival stood at 100-150 bags, while in Nokha arrivals stood at 500-600 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 lacklustre trade with bearish undertone. The most active May contract opened weak by Rs. 1 at Rs 2093/mt against the previous close of Rs. 2094 and traded upwards initially testing a high of Rs. 2116. However, increased selling pressure at higher pushed the futures to trade downwards and settled in the negative side. May contract moved in the range of Rs. 2082-2116/mt, while the April contract moved in the range of Rs. 2019-2049/mt. While the guar gum April contract moved in the range of Rs. 4948-5070/mt and the May Contract traded in the range of Rs. 5090-5174/mt.

MCX Guar seed futures observed lacklustre trade with bearish undertone. The most active May contract opened flat at its previous close of Rs. 2059.00/mt and traded upwards initially testing a high of Rs. 2080.00/mt. 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. 2046-2080/mt, while the April contract moved in the range of Rs. 2004-2014/mt.

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. Good demand from millers and exporters
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 bearish sentiment. Technical indicator Stochastic is rising in neutral region, while RSI is moving downwards in neutral region. MACD is in positive region and moving upward. Closing price is above both the 9 days and 18 days EMA that indicates short-term firmness in prices. Market is expected to trade upwards following steady to slightly weak opening with possibility slight late downward movement.

OUTLOOK:

Guar seed futures are expected to trade upwards following a steady to slightly weak opening

NCDEX Guar Seed May Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2063	2072	2084	2130	2140
NCDEX Guar Gum May.	5023	5049	5091	5190	5210
MCX Guar Seed May.	2020	2030	2049	2095	2110

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- May Guar Seed above 2083 with target of 2103 then 2117 Stop loss near 2071.

BUY NCDEX- May Guar Gum above 5088 with target of 5138 then 5169 Stop loss near 5063.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- May Guar Seed above 2050 with target of 2070 then 2084 Stop loss near 2038.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	06.04.07	05.04.07	Change
Guar Seed	Bikaner	1910	-	-
	Jodhpur	2025	-	-
	Nokha	1870	-	-
	Sriganganagar		-	-
Guar Gum	Jodhpur	5025	-	-

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