

## GUAR DAILY

April 20th, 2007

### SPOT MARKETS:

Guar spot prices witnessed weak sentiment during the Thursday's trade. Prices declined at the major markets of Jodhpur and Bikaner on weak demand from millers and exporters, while Nokha markets remained closed during Thursday's trade due to Akshaya Tritiya celebration. Heavy rains and cyclonic condition over Nokha and some parts of Bikaner also reported. Stockists activity remains silent in the market. Strengthening in Rupees Vs Dollar affected the market sentiment slightly as it makes export expensive from India. Overall fundamental remains bullish in the market. Moreover, the IMD on Thursday said monsoon rains for June to September will likely be 5% below the long-term average and the long-period average monsoon this year is likely to be 95%. Thus, prices are expected to remain firm in coming days on the forecast of below average monsoon. Total arrival at the majority of markets reportedly stood steady at 4000-5000 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed lacklustre trade with bearish undertone. The most active May contract opened weak at Rs 2084/qrtl, down Rs 3 against the previous close of Rs 2087/qrtl and traded upwards initially testing a high of Rs 2102/qrtl. However, futures traded downward thereafter on increased selling pressure and finally settled in the negative side. May contract moved in the range of Rs. 2045-2102/qrtl, while the April contract moved in the range of Rs. 1977-2030/qrtl. Guar gum April contract moved in the range of Rs. 4825-4965/qrtl and the May Contract traded in the range of Rs. 5000-5125/qrtl.

MCX Guar seed futures observed lacklustre trade with bearish tone. May contract opened weak at Rs 2082.00, down Rs 4.50 against the previous close of Rs 2086.50 and traded upwards initially testing a high of Rs 2098.00. However, futures traded downwards thereafter on increased selling pressure and finally settled in the negative side. May contract moved in the range of Rs 2048.00-2098.00. Volume declined significantly while open interest increased marginally.

### 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 bearish sentiment. Prices bounced back from the support level, which reflects in the long lower shadow. Stochastic and MACD is moving downward. Closing price is below the short term EMA. 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 opening

#### NCDEX Guar Seed May Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2052	2060	2074	2124	2131
NCDEX Guar Gum May.	5001	5030	5043	5124	5144
MCX Guar Seed May.	2055	2066	2071	2117	2124

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- May Guar Seed above 2071 with target of 2091 then 2106 Stop loss near 2061.

**BUY** NCDEX- May Guar Gum above 5051 with target of 5081 then 5101 Stop loss near 5036.

**Do not carry forward the position until the next day.**

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- May Guar Seed above 2075 with target of 2095 then 2105 Stop loss near 2065.

**Do not carry forward the position until the next day.**

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	19.04.07	18.04.07	Change
Guar Seed	Bikaner	1890	1910	-20
	Jodhpur	2015	2035	-20
	Nokha	-	1865	-
Guar Gum	Sriganganagar			
	Jodhpur	5000	5025	-25

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