

## GUAR DAILY

1<sup>st</sup> June 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum recovered marginally at Jodhpur and Nokha markets on some demand from processors and exporters against restricted supply, while remained unmoved at Bikaner on subdued trade. IMD on May 30<sup>th</sup> announced that the monsoon rains are unlikely to make any progress from southern province towards NW region of the country as the currents have not gathered momentum yet, which further added some bullish tone in the market. Some demand from millers and exporters reported during the Thursday's trade whereas stockists activity remained depressed in the market. Further, traders are vigilant over the progress of monsoon as the price movement in spot and futures market depends on monsoon progress. Total arrival at the majority of market reportedly stood at 4000 bags with no arrival reported at Bikaner while Nokha market experienced the arrival of 100-150 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with bullish tone. July contract opened firm at Rs 1795, up Rs 4 against the previous close of Rs 1791 and traded down initially testing a low of Rs 1785. However, prices recovered thereafter on buying interest and settled in the positive side. July contract traded in the range of Rs 1785-1812/qtl and June contract traded in the range of Rs 1752-1773/qtl. In July contract both volume and open interest increased significantly. Guar gum June contract hovered in the range of Rs.4425-4465/qtl and July contract traded in the range of Rs 4507-4555/qtl.

MCX Guar seed futures witnessed narrow range bound trade with bullish tone. The most active July contract opened firm at Rs 1780.0 against the previous close of Rs 1772.0 and traded down initially testing a low of Rs 1770.0. However, prices recovered thereafter on buying interest and finally settled in the positive side. July contract traded in the range of Rs 1770.00-1790.00/qtl and June contract traded in the range of Rs 1730.00-1759.00/qtl.

### PRICE DRIVERS:

1. Recent rains over NW part favorable for guar
2. Some demand from exporters & millers
3. Expectation of normal to better monsoon
4. Appreciation of rupee against dollar
5. Ample stock position in the market
6. Lower stock & higher prices in Pakistan

### WEATHER IMPACT:

Keep a close look on monsoon progress as guar prices are sensitive to monsoon. If monsoon shows exceptionally good progress, guar prices might slump further.

### TECHNICALS:

Candlestick chart pattern shows slight recovery in prices. Closing price is above the 9 days EMA that indicates short run firmness. MACD is rising in negative region. Stochastic and RSI is also moving up in the neutral region. Market is expected to trade up following steady to slightly firm opening with possibility of late downward movement.

### OUTLOOK:

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

### NCDEX Guar Seed July Contract:



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

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed July.	1781	1794	1805	1861	1876
NCDEX Guar Gum July.	4510	4531	4548	4620	4637
MCX Guar Seed July.	1765	1775	1784	1830	1840

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- July Guar Seed above 1810 with target of 1832 then 1842 Stop loss near 1799.

**BUY** NCDEX- July Guar Gum above 4558 with target of 4588 then 4603 Stop loss near 4543.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- July Guar Seed above 1789 with target of 1809 then 1819 Stop loss near 1779.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	31.05.07	30.05.07	Change
Guar Seed	Bikaner	1740	1740	-
	Jodhpur	1860	1840	+20
	Nokha	1660	1655	+5
Guar Gum	Sriganganagar			
	Jodhpur	4525	4500	+25

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