

GUAR DAILY

19th May 2007

SPOT MARKETS:

Amidst subdued trading activity against steady arrivals the prices of both guar seed and guar gum remained unmoved at the majority of markets. Demand from processors and exporters mostly remained subdued in the market. Consequently, arrivals stood steady in the market and noted at 4000-4500 bags. No arrivals reported in Nokha and Bikaner markets. According to IMD, a fresh western disturbance is likely to affect NW India from May 19, which might further depress prices and sentiments. Moreover, early and normal monsoon coupled with ample stock situation likely to keep the guar prices at lower side in short to medium term.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed narrow range bound trade with slightly bullish tone. June contract opened flat at its previous close of Rs 1750/qtl and traded down testing a low of Rs 1740. However, futures recovered on some buying support and managed to settle in the positive side. June contract traded in the range of Rs 1740-1772/qtl and the May contract traded in the range of Rs. 1706-1754/qtl. Guar gum May contract hovered in the range of Rs.4330-4385/qtl and the June contract hovered in the range of Rs.4375-4449/qtl. Both the volume and open interest declined significantly.

MCX Guar seed futures witnessed narrow range bound trade with slightly bearish undertone. June contract opened firm at Rs 1742.0 against the previous close of Rs 1732.5 and traded down initially testing a low of Rs 1726.0. However, prices recovered thereafter on some buying support and managed to settle the futures in positive side. June contract traded in the range of Rs 1726.00-1750.00/qtl and May contract fluctuated in the range of Rs 1679.0-1729.0/qtl.

PRICE DRIVERS:

Bearish:

1. Recent rainfall over north western part favorable for guar
2. Subdued demand from exporters and millers
3. Expectation of early & normal monsoon

Bullish:

4. Expectation of higher export order in near future
5. Lower stock & higher prices in Pakistan

WEATHER IMPACT:

Conflicting weather reports from IMD and foreign sources. IMD sees 5% lower rains, while others see normal or excess rains. However, recent rainfall over North West part of India favors early sowing of guar.

TECHNICALS:

Candlestick chart pattern shows mild recovery in prices. Stochastic is moving downward while RSI is moving up in neutral region. MACD is moving up in negative region while EMA hints for further weakness. Market is expected to trade down following steady to slightly firm opening.

OUTLOOK:

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

NCDEX Guar Seed June Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed June.	1700	1710	1764	1787	1795
NCDEX Guar Gum June.	4340	4356	4424	4473	4502
MCX Guar Seed June.	1697	1700	1736	1770	1788

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- June Guar Seed below 1780 with target of 1750 then 1735 Stop loss near 1795.

SELL NCDEX- June Guar Gum below 4445 with target of 4400 then 4380 Stop loss near 4468.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- June Guar Seed below 1752 with target of 1727 then 1717 Stop loss near 1765.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	18.05.07	17.05.07	Change
Guar Seed	Bikaner	1750	1750	-
	Jodhpur	1820	1820	-
	Nokha	1640	1640	-
Guar Gum	Sriganganagar			
	Jodhpur	4450	4450	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd