

May 7th, 2007

## GUAR DAILY

### SPOT MARKETS:

Amid subdued trading activity and ample stock position the prices of both guar seed and guar gum remained unmoved at the majority of markets, while quoted slightly higher in Bikaner on some demand from millers against higher quotes of stockists. Demand from exporters remained absent in the market, as strengthening rupee hurting export activity. Further, more intermittent showers are expected over North Western part particularly over Haryana and Punjab, which favors higher yield and productivity of guar thus likely to add bearish tone in the market. Prices are expected to remain steady to slightly weak in coming days on weak demand from millers and exporters. However, improvement is expected if export activity improves in the market. Overall arrivals stood steady at 4000-4500 bags with no arrivals reported in Nokha market, while in Bikaner arrivals stood at 100-150 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed narrow range bound trade with bearish undertone. June contract opened firm at Rs 1857/qrt, above Rs 4 the previous close of Rs 1853/qrt and traded upward initially testing a high of Rs 1861/qrt. However, futures traded downward thereafter on selling pressure and settled in the negative territory. June contract traded in the range of Rs 1838-1863/qrt and the May contract traded in the range of Rs. 1790-1814/qrt. Guar gum May contract moved in the range of Rs. 4485-4520/qrt and the June Contract traded in the range of Rs.4577-4625/qrt. Both the volume and open interest declined significantly.

MCX Guar seed futures observed narrow range bound trade with bearish undertone. June contract opened firm at Rs 1850.00 against the previous close of Rs 1844.50 and traded up initially testing a high of Rs 1855.00. However, futures traded downward thereafter on selling pressure and settled red. June contract traded in the range of Rs 1835.50-1855.00/qrt and May contract fluctuated in the range of Rs 1779.00-1800.50/qrt. Volume declined significantly while open interest increased marginally.

### PRICE DRIVERS:

#### Bearish:

1. Recent rainfall over north western part favorable of guar
2. Strengthening in Rupee affects export activity
3. Lower demand from exporters and millers

#### Bullish:

4. Expectation of higher export order in near future
5. Good overseas demand
6. 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 Western part of India favors early sowing of guar.

### TECHNICALS:

Candlestick chart pattern exhibit bearish sentiment and weakness in prices. Stochastic is moving down in over sold region while RSI is flat in over sold region. MACD is moving upward in negative region. Closing price is below the short-term EMAs. Market is expected to trade downward 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.	1800	1818	1842	1885	1893
NCDEX Guar Gum June.	4536	4551	4592	4645	4662
MCX Guar Seed June.	1790	1800	1839	1874	1882

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- June Guar Seed below 1872 with target of 1847 then 1832 Stop loss near 1885.

**SELL** NCDEX- June Guar Gum below 4628 with target of 4593 then 4573 Stop loss near 4646.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- June Guar Seed below 1856 with target of 1831 then 1818 Stop loss near 1869.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	05.05.07	04.05.07	Change
Guar Seed	Bikaner	1750	1730	+20
	Jodhpur	1900	1900	-
	Nokha	1670	1670	-
Guar Gum	Sriganganagar			
	Jodhpur	4700	4700	-

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