

## GUAR DAILY

21st May 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum recovered at the major markets of Jodhpur and Nokha on mild demand from exporters and processors, while remained unchanged in Bikaner on subdued trading activity. Some demand from exporters reported during the Saturday's trade. Local demand for Churi and Korma also supported the market sentiment to an extent. Consequently, millers presence also witnessed in the market. On other hand arrivals reportedly stood steady at 4000-4500 bags with no arrivals reported in Bikaner. Nokha market experienced the arrival of 100-150 bags. Further, IMD predicted a fresh western disturbance which likely to affect NW India from May 19, which may depress prices in coming days.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed narrow range bound trade with bearish undertone. June contract opened slightly firm at Rs 1764, up Rs 1 against the previous close of Rs 1763 and traded up initially testing a high of Rs 1769. However, prices tumbled thereafter on selling pressure and settled in the negative territory. June contract traded in the range of Rs 1746-1769/qrt with declining volume and open interest. Guar gum June contract hovered in the range of Rs.4375-4440/qrt with declining volume and open interest.

MCX Guar seed futures witnessed narrow range bound trade with bearish undertone. June contract opened firm at Rs 1740.0 against the previous close of Rs 1737.5. Contract then traded down on selling pressure testing a low of Rs 1723.0 and finally settled in the negative side. June contract traded in the range of Rs 1723.00-1740.00/qrt with declining volume and open interest.

### 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 weakness in prices. Stochastic is moving downward towards oversold region while RSI is deep in oversold region with shows further weakness. 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	1750	1782	1795
NCDEX Guar Gum June.	4317	4334	4391	4424	4448
MCX Guar Seed June.	1697	1700	1732.5	1752	1763

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- June Guar Seed below 1764 with target of 1734 then 1719 Stop loss near 1779.

**SELL** NCDEX- June Guar Gum below 4412 with target of 4370 then 4346 Stop loss near 4433.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- June Guar Seed below 1741 with target of 1721 then 1711 Stop loss near 1751.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	19.05.07	18.05.07	Change
Guar Seed	Bikaner	1750	1750	-
	Jodhpur	1840	1820	+20
	Nokha	1650	1640	+10
Guar Gum	Sriganganagar			
	Jodhpur	4475	4450	+25

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