

GUAR DAILY

4th, June 2007

SPOT MARKETS:

Guar seed and guar gum prices recovered at most of the major markets amidst some demand from millers and exporters coupled with reports of slow monsoon progress. As per the reports of IMD the progress of SW monsoon is slow towards NW region of the country. Thus, prices are expected to move on the reports of monsoon progress. So, keep a close look over the progress of monsoon till it reaches Rajasthan. Stockists activity remained subdued in the market. Overall arrival at the majority of markets stood at 4000-4500 bags with no arrival reported in Bikaner. Nokha experienced the arrival of 100-150 bags during the Saturday's trade.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. July contract opened firm at Rs 1823/qrtl, up Rs 2 against the previous close of Rs 1821/qrtl and traded down initially testing a low of Rs 1822/qrtl. However, prices recovered thereafter on increased buying interest and settled in the positive side. July contract traded in the range of Rs 1822-1849/qrtl and June contract traded in the range of Rs 1784-1806/qrtl. In July contract volume declined while open interest increased. Guar gum June contract hovered in the range of Rs.4476-4535/qrtl and July contract traded in the range of Rs 4570-4630/qrtl.

MCX Guar seed futures witnessed firm sentiment with bullish tone. The most active July contract opened firm at Rs 1810.0 against the previous close of Rs 1793.0 and traded down initially testing a low of Rs 1806.0. However, prices recovered thereafter on increased buying interest and settled in the positive side. July contract traded in the range of Rs 1806.00-1828.00/qrtl and June contract traded in the range of Rs 1759.00-1781.00/qrtl.

PRICE DRIVERS:

1. Recent rains over NW part favorable for guar
2. Some demand from exporters & millers
3. Reports of slow monsoon progress
4. Expectation of normal to better monsoon
5. Appreciation of rupee against dollar
6. Ample stock position in the market
7. 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 firmness in prices. MACD and EMA indicate for short term firmness. Stochastic and RSI is also moving up in the neutral region which shows further firmness in prices. Market is expected to trade up following steady to slightly firm opening.

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.	1819	1829	1840	1884	1892
NCDEX Guar Gum July.	4584	4600	4610	4677	4687
MCX Guar Seed July.	1804	1812	1822.5	1870	1882

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- July Guar Seed above 1844 with target of 1864 then 1874 Stop loss near 1834.

BUY NCDEX- July Guar Gum above 4619 with target of 4649 then 4664 Stop loss near 4604.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- July Guar Seed above 1825 with target of 1845 then 1855 Stop loss near 1815.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	02.06.07	01.06.07	Change
Guar Seed	Bikaner	1755	1740	+15
	Jodhpur	1885	1860	+25
	Nokha	1675	1660	+15
Guar Gum	Sriganganagar			
	Jodhpur	4575	4525	+50

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