

GUAR DAILY

6th, June 2007

SPOT MARKETS:

The prices of both guar seed and guar gum remained unchanged during the Friday's trade at most of the major markets on subdued trading activity against restricted arrivals. Sources reported of mild demand from millers and exporters during the Tuesday's trade with some reports of selling by stockists in the market. No arrivals reported in Bikaner and Nokha markets. Total arrival at the majority of markets reportedly stood at around 4000-4500 bags (1bag = 100Kg). As per IMD, the monsoon is not expected to resume its northward progress before June 9 because a cyclonic storm in the Arabian Sea, called Gonu is disrupting its advancement. Thus, slight firmness is expected in prices.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed range bound trade with bearish undertone. July contract opened weak at Rs 1825/qrt, down Rs 3 against the previous close of Rs 1828/qrt and traded up initially testing a high of Rs 1834/qrt. However, futures traded down thereafter on selling pressure and settled in the negative side. July contract traded in the range of Rs 1815-1834/qrt and June contract traded in the range of Rs 1778-1793/qrt. In July contract volume declined while open interest increased. Guar gum June contract hovered in the range of Rs.4465-4508/qrt and July contract traded in the range of Rs 4555-4605/qrt.

MCX Guar seed futures witnessed narrow range bound trade with bearish undertone. The most active July contract opened firm at Rs 1811.0 against the previous close of Rs 1808.5 and traded up initially testing a high of Rs 1815.0. However, futures traded down thereafter on selling pressure and settled in the negative side. July contract traded in the range of Rs 1795.00-1815.00/qrt and June contract traded in the range of Rs 1755.50-1770.00/qrt.

PRICE DRIVERS:

1. Recent rains over NW part favorable for guar
2. Mild 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 indecisive market. MACD and EMA indicate for short term firmness. Stochastic is moving up in the neutral region while RSI is moving down 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.	1810	1819	1826	1877	1886
NCDEX Guar Gum July.	4556	4570	4586	4655	4671
MCX Guar Seed July.	1781	1795	1807	1851	1861

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- July Guar Seed above 1830 with target of 1850 then 1860 Stop loss near 1820.

BUY NCDEX- July Guar Gum above 4591 with target of 4621 then 4636 Stop loss near 4576.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- July Guar Seed above 1811 with target of 1831 then 1841 Stop loss near 1801.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	05.06.07	04.06.07	Change
Guar Seed	Bikaner	1740	1740	-
	Jodhpur	1860	1860	-
	Nokha	1675	1675	-
Guar Gum	Sriganganagar			
	Jodhpur	4520	4520	-

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