

GUAR DAILY

25th, June 2007

SPOT MARKETS:

Amidst limited demand against normal supply the prices of both guar seed and guar gum remained unchanged at most of the major markets during the Saturday's trade. Sources reported that the traders are offloading their inventories at slightly better price due to the fears of report of favourable monsoon progress. As per IMD, this year monsoon is normal, leading to expectations of increase in production. Sources reported that in some part of Rajasthan farmers started preparing their fields for sowing of guar. Mild demand from millers and exporters reported during the Saturday's trade. Total arrivals at the majority of markets stood at around 4500-5000 bags with no arrivals reported in Nokha and Bikaner. Meanwhile, the data available with APEDA, India's guar gum exports rose marginally by 2.2% to 1,50,341 tonnes in Apr'06-Jan'07 and are valued at \$200.92 mIn (Rs 9.1 bln), up 7.5% from the last years. In January, exports were estimated at 15,163 tonnes up 23% from December level. In Last FY Country exported 1, 86,530 tonnes of guar gum.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with bearish undertone. July contract opened firm at Rs 1695/qrt, up Rs 6 against the previous close of Rs 1689/qrt and traded up initially testing a high of Rs 1697/qrt. However, prices traded down thereafter on selling pressure and settled in the negative side. July contract traded in the range of Rs 1682-1697/qrt. In July contract both volume and open interest declined. Guar gum July contract traded in the range of Rs 4255-4294/qrt.

MCX Guar seed futures witnessed narrow range bound trade with bearish undertone. The most active July contract opened slightly weak at Rs 1657.0 against the previous close of Rs 1657.5 and traded up initially testing a high of Rs 1664.0. However, prices traded down thereafter on selling pressure coupled with reports of good monsoon progress and settled in the negative side. July contract traded in the range of Rs 1647.00-1664.00/qrt.

PRICE DRIVERS:

1. Mild demand from exporters & millers
2. Rains over some part of Rajasthan and Haryana
3. Reports of good monsoon progress
4. Expectation of normal to better monsoon
5. Ample stock position in the market
6. Good overseas demand

WEATHER IMPACT:

As per IMD conditions are favourable for the further advancement of monsoon in rest of the parts of Rajasthan in next 72 hours. So, 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 char pattern shows weakness in prices. Closing price is well below the short term EMAs, which indicate for short term weakness. MACD is moving flat in the negative region. Stochastic is moving flat in oversold region while RSI is moving downward in oversold region. Range bound movement is expected in prices with firm bias.

OUTLOOK:

Guar seed futures are expected to trade range bound with weak bias.

NCDEX Guar Seed July Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed July.	1655	1665	1688	1710	1720
NCDEX Guar Gum July.	4220	4230	4265	4300	4322
MCX Guar Seed July.	1620	1630	1656	1672	1684

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1697 with target of 1677. Stop loss near 1707.

SELL NCDEX- July Guar Gum below 4277 with target of 4252 then 4242 Stop loss near 4289.5.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

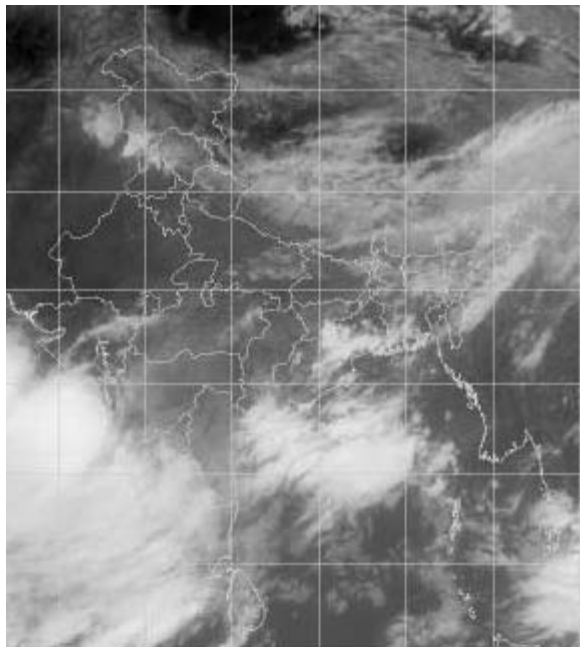
SELL MCX- July Guar Seed below 1665 with target of 1645. Stop loss near 1675.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	23.06.07	22.06.07	Change
Guar Seed	Bikaner	1670-80	1670-80	-
	Jodhpur	1810	1810	-
	Nokha	1620	1620	-
Guar Gum	Sriganganagar			
	Jodhpur	4400	4400	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 23.06.07)



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