

## GUAR DAILY

29th, June 2007

### SPOT MARKETS:

Guar seed and guar gum spot prices continue to decline at the majority of markets amidst weak demand against ample supply. Also the progress of monsoon over the guar growing regions is heavily weighing on prices. As per IMD, SW monsoon has further advanced into the remaining parts of East and West Rajasthan some more parts of Haryana and Punjab. Thus, prices are likely to remain weak in coming days due to reports of favourable monsoon progress. Sowing of guar is already started in some parts of Rajasthan, Haryana and Punjab traders reported. It is noted that the guar is susceptible to water logging and water logging at any stage is detrimental to the crop growth and may results into sharp decline in the production. Further, demand from exporters and millers remained subdued or silent in the market. Overall arrivals at the majority of markets stood at around 5000-5500 bags with no arrivals reported in Bikaner. Nokha experienced the arrival of 100 bags each.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened weak at Rs 1621/qrtl, down Rs 9 against the previous close of Rs 1630/qrtl and traded up initially testing a high of Rs 1628/qrtl. However, prices traded down thereafter on selling pressure and finally settled in the negative side. July contract traded in the range of Rs 1596-1628/qrtl. In July contract volume increased marginally while open interest declined marginally. Guar gum July contract traded in the range of Rs 4007-4090/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened weak at Rs 1590.0 against the previous close of Rs 1604.5. Contract then traded down on increased selling pressure testing a low of Rs 1565.0 and finally settled in the negative side. July contract traded in the range of Rs 1565.00-1590.00/qrtl.

### PRICE DRIVERS:

1. Mild demand from exporters & millers
2. Rains over some part of Rajasthan, Haryana & Punjab
3. Reports of favorable monsoon progress
4. Expectation of normal to better monsoon
5. Ample stock position in the market
6. Good overseas demand
7. Selling pressure in the futures market

### WEATHER IMPACT:

As per IMD conditions are favourable for the further advancement of monsoon in rest of the parts of Rajasthan. If monsoon shows exceptionally good progress, guar prices might slump further.

### TECHNICALS:

Candlestick char pattern shows weakness in prices. MACD and EMA indicate for further weakness in prices. Stochastic and RSI is steadily moving down in the oversold region. Range bound movement is expected in prices following a steady to slightly firm opening.

### 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.	1565	1575	1605	1621	1632
NCDEX Guar Gum July.	3980	3990	4022	4050	4071
MCX Guar Seed July.	1545	1550	1572	1591	1601

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- July Guar Seed below 1610 with target of 1592 then 1582. Stop loss near 1619.

**SELL** NCDEX- July Guar Gum below 4039 with target of 4014 then 4004 Stop loss near 4051.5.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**SELL** MCX- July Guar Seed below 1581 with target of 1561. Stop loss near 1591.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	28.06.07	27.06.07	Change
Guar Seed	Bikaner	1600	1610-15	-15
	Jodhpur	1700	1710	-10
	Nokha	1560-70	1570	-
Guar Gum	Sriganganagar			
	Jodhpur	4150	4200-25	-75

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 28.06.07)



### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd