

## GUAR DAILY

9<sup>th</sup>, June 2007

### SPOT MARKETS:

Guar seed prices eased further at the majority of markets amidst normal demand and ample supply situation, while guar gum prices stood steady at Jodhpur market on usual demand against restricted arrivals. Further, improvement in dollar coupled with lower stock position with exchanges supported the market sentiment. However, reports of good monsoon progress by IMD on June 8<sup>th</sup>, imparted bearishness in the market, as traders offloading their inventories at slightly better prices. Consequently, arrivals improved marginally in the market and stood at around 4500-5500 bags. Nokha witness the arrivals of 100-150 bags and Bikaner experienced the arrivals of around 100 bags. Sources reported of good demand from millers and exporters during the Friday's trade. Thus, considering the above factors prices are likely to remain range bound in very short term.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened firm at 1806/qrtl, up Rs 4 against the previous close of Rs 1802/qrtl and traded up initially testing a high of Rs 1824/qrtl. However, prices tumbled thereafter on increased selling pressure and settled red. June and July contract traded in the range of Rs 1751-1787/qrtl and Rs 1787-1824/qrtl. In July contract volume and open interest both declined significantly. Guar gum June and July contract traded in the range of Rs 4432-4497/qrtl and Rs 4517-4589/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened firm at Rs 1786.0 against the previous close of Rs 1768.0 and traded up initially testing a high of Rs 1797.0. However, prices tumbled thereafter on increased selling pressure and settled red. June and July contract traded in the range of Rs 1733.00-1754.00/qrtl and Rs 1768.00-1797.00/qrtl with both volume and open interest declined.

### PRICE DRIVERS:

1. Marginal improvement in dollar
2. Recent rains over NW part favorable for guar
3. Normal demand from exporters & millers
4. Reports of good monsoon progress
5. Expectation of normal to better monsoon
6. Ample stock position in the market
7. Good overseas demand

### 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 weakness market. Closing price is below the short term EMAs which indicate weakness in short term. MACD has made bearish cross over in negative region. Stochastic and RSI is moving down in the neutral region. Market is expected to trade down following steady to slightly firm opening.

### OUTLOOK:

Guar seed futures are expected to trade downwards 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.	1758	1766	1795	1815	1823
NCDEX Guar Gum July.	4480	4490	4530	4570	4580
MCX Guar Seed July.	1732	1740	1773	1790	1800

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- July Guar Seed below 1805 with target of 1785 then 1775 Stop loss near 1815.

**SELL** NCDEX- July Guar Gum below 4550 with target of 4520 then 4505 Stop loss near 4565.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

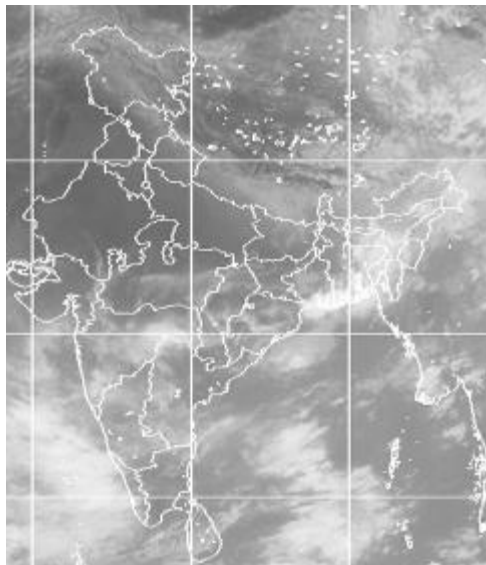
**SELL** MCX- July Guar Seed below 1780 with target of 1760 then 1750 Stop loss near 1790.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	08.06.07	07.06.07	Change
Guar Seed	Bikaner	1740	1740-45	-5
	Jodhpur	1860-65	1870-75	-10
	Nokha	1675	1675-80	-5
Guar Gum	Sriganganagar			
	Jodhpur	4550	4550	-

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 08.06.07)



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