

## GUAR DAILY

21<sup>st</sup>, June 2007

### SPOT MARKETS:

Amidst limited trading activity against restricted arrivals the prices of both guar seed and guar gum remained unmoved in the market. Rainfall over parts of Rajasthan (Bikaner, Sriganganagar and Nokha) affected the trading activity and arrivals during the Wednesday's trade. Arrivals at the majority of markets declined marginally and stood at around 4500-5000 bags, with no arrivals reported in Bikaner and Nokha. Demand from processors and exporters remained subdued or silent in the market. Also these rains are seen improving crop prospects, leading to increase in production. Sources, reported that the farmers are preparing their field and soon they start sowing. As per IMD, SW monsoon is likely to advance further into remaining parts of Rajasthan in next 3-4 days, which likely to impart bearishness in the market.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with slightly bullish tone. July contract opened weak at Rs 1696/qrtl, down Rs 4 against the previous close of Rs 1700/qrtl and traded down initially testing a low of Rs 1687/qrtl. However, prices recovered on some buying interest and settled at Rs 1701/qrtl. June and July contract traded in the range of Rs 1662-1679/qrtl and Rs 1687-1705/qrtl. In July contract both volume and open interest declined. Guar gum June and July contract traded in the range of Rs 4220-4270/qrtl and Rs 4322-4347/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with bearish undertone. The most active July contract opened weak at Rs 1668.0 against the previous close of Rs 1680.0. Contract then traded in a narrow range of Rs 1664-1677/qrtl and finally settled at Rs 1670/qrtl. June contract traded in the range of Rs 1635-1647/qrtl.

### 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
7. Expectation of bumper production again

### WEATHER IMPACT:

Monsoon has revived now and is expected to be active during the current week. 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 slight recovery in prices. Closing price is below the short term EMAs. MACD is moving slightly upward in negative region. Stochastic and RSI is rising in oversold region. So, a bounce back from these levels cannot be ruled out. Market is expected to trade range bound with firm bias.

### OUTLOOK:

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

### NCDEX Guar Seed July Contract:



### SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed July.	1687	1695	1701	1746	1754
NCDEX Guar Gum July.	4322	4332	4336	4400	4414
MCX Guar Seed July.	1659	1667	1670	1705	1713

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- July Guar Seed above 1705 with target of 1725 then 1735. Stop loss near 1695.

**BUY** NCDEX- July Guar Gum above 4348 with target of 4373 then 4383 Stop loss near 4335.5.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

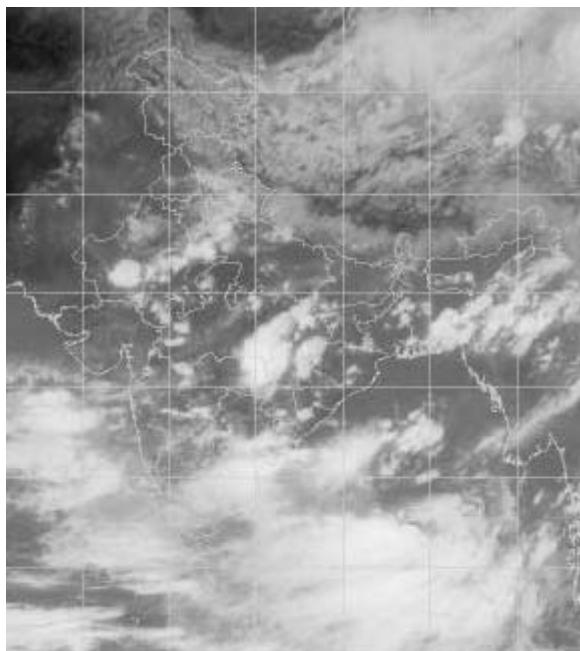
**BUY** MCX- July Guar Seed above 1677 with target of 1697. Stop loss near 1667.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	20.06.07	19.06.07	Change
Guar Seed	Bikaner	1680-90	1680-90	0
	Jodhpur	1790-1800	1800	0
	Nokha	1630	1630	0
Guar Gum	Sriganganagar			
	Jodhpur	4375	4375	0

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 20.06.07)



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