

## GUAR DAILY

2<sup>nd</sup> 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. Demand from millers remained subdued in the market whereas some demand from exporters reported at the prevailing prices. Stockists activity remained subdued or absent in the market. As per the IMD, SW monsoon is not likely to advance further during the next 3 day, which may impart some firmness in the market. So, keep a close look over the monsoon progress, as the price movement depends on the monsoon progress till it reaches Rajasthan. Total arrivals at the majority of markets reportedly stood at 4000-4500 bags with no arrivals reported in Nokha and Bikaner.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with bullish tone. July contract opened firm at Rs 1810, up Rs 4 against the previous close of Rs 1806 and traded down initially testing a low of Rs 1796. However, prices recovered thereafter on buying interest and settled in the positive side. July contract traded in the range of Rs 1796-1823/ctl and June contract traded in the range of Rs 1760-1782/ctl. In July contract both volume and open interest increased. Guar gum June contract hovered in the range of Rs.4442-4479/ctl and July contract traded in the range of Rs 4522-4570/ctl.

MCX Guar seed futures witnessed narrow range bound trade with bullish tone. The most active July contract opened slightly weak at Rs 1786.0 against the previous close of Rs 1786.5 and traded down initially testing a low of Rs 1776.0. However, prices recovered thereafter on buying interest and settled in the positive side. July contract traded in the range of Rs 1776.00-1800.00/ctl and June contract traded in the range of Rs 1738.00-1754.00/ctl.

### PRICE DRIVERS:

1. Recent rains over NW part favorable for guar
2. Some demand from exporters & millers
3. Expectation of normal to better monsoon
4. Appreciation of rupee against dollar
5. Ample stock position in the market
6. 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 slight recovery in prices. MACD and EMA indicate short term firmness in prices. Stochastic and RSI is also moving up in the neutral region which shows further firmness in prices. Market is expected to trade up following steady to slightly firm opening.

### 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.	1806	1815	1821	1865	1876
NCDEX Guar Gum July.	4548	4557	4563	4625	4637
MCX Guar Seed July.	1781	1791	1800	1846	1855

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- July Guar Seed above 1825 with target of 1845 then 1855 Stop loss near 1815.

**BUY** NCDEX- July Guar Gum above 4572 with target of 4602 then 4617 Stop loss near 4557.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

**BUY** MCX- July Guar Seed above 1805 with target of 1825 then 1835 Stop loss near 1795.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	01.06.07	31.05.07	Change
Guar Seed	Bikaner	1740	1740	-
	Jodhpur	1860	1860	-
	Nokha	1660	1660	-
Guar Gum	Sriganganagar			
	Jodhpur	4525	4525	-

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