

## GUAR DAILY

30th, June 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum eased further at the majority of market on mild demand against good supply. Rainfall over parts of Rajasthan (Bikaner, Sriganganagar, Hanumannagar) coupled with reports of advancement of monsoon in remaining part of East and West Rajasthan imparted bearishness in the market. Meanwhile, India's weather office on Friday revised downwards its forecast for this year's four-month (June-September) monsoon rains to 93 percent of the long-term average (LPA) from 95 percent predicted in April with a model error of  $\pm 4$  percent. However, it said that the July rainfall is expected to be 95 percent of LPA. Thus, prices are expected to improve in the coming days. Further, good demand from exporters reportedly in the market at lower prices levels while millers/processors demand remained subdued in the market. Total arrivals at the majority of markets reportedly stood at around 5000-5500 bags with no arrival reported in Bikaner, while Nokha received the arrival of 100 bags during the Friday's trade. Further, sowing of crop increasing steadily in Rajasthan, Haryana and Punjab, traders reported.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. July contract opened weak at Rs 1600/mtl, down Rs 4 against the previous close of Rs 1604/mtl and traded down initially testing a low of Rs 1585/mtl. However, prices recovered thereafter on buying interest and finally managed to settle in the positive side. July contract traded in the range of Rs 1585-1615/mtl. In July contract volume declined significantly while open interest declined marginally. Guar gum July contract traded in the range of Rs 3971-4085/mtl.

MCX Guar seed futures witnessed narrow range bound trade with slightly bullish tone. The most active July contract opened weak at Rs 1555.0 against the previous close of Rs 1568.5 and traded down initially testing a low of Rs 1552.0. However, prices recovered thereafter on buying interest and finally settled at Rs 1563.0. July contract traded in the range of Rs 1552.00-1570.00/mtl.

### PRICE DRIVERS:

1. Good demand from exporters & millers
2. IMD downwards its forecast to 93% LPA from 95% for this years monsoon
3. Rains over some part of Rajasthan, Haryana & Punjab
4. Reports of favorable monsoon progress
5. Expectation of normal to better monsoon
6. Ample stock position in the market
7. Good overseas demand
8. Selling pressure in the futures market

### WEATHER IMPACT:

IMD revised downwards its forecast for this year's (Jun-Sept) monsoon to 93% LPA from 95% predicted in April. However, predicted 95% rains for July.

### TECHNICALS:

Candlestick char pattern shows recovery in prices. Long lower shadow of the candlestick reflects good buying support at lower level. MACD and EMA indicate for further weakness in prices. Stochastic is moving down in the oversold region while RSI is rising in the oversold region. Market is expected to trade up following steady to slightly firm opening with possibility of late downward movement.

### 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.	1589	1599	1610	1655	1670
NCDEX Guar Gum July.	4029	4050	4064	4132	4143
MCX Guar Seed July.	1550	1560	1563	1604	1616

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- July Guar Seed above 1615 with target of 1635 then 1645. Stop loss near 1605.

**BUY** NCDEX- July Guar Gum below 4072 with target of 4102 then 4112 Stop loss near 4057.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

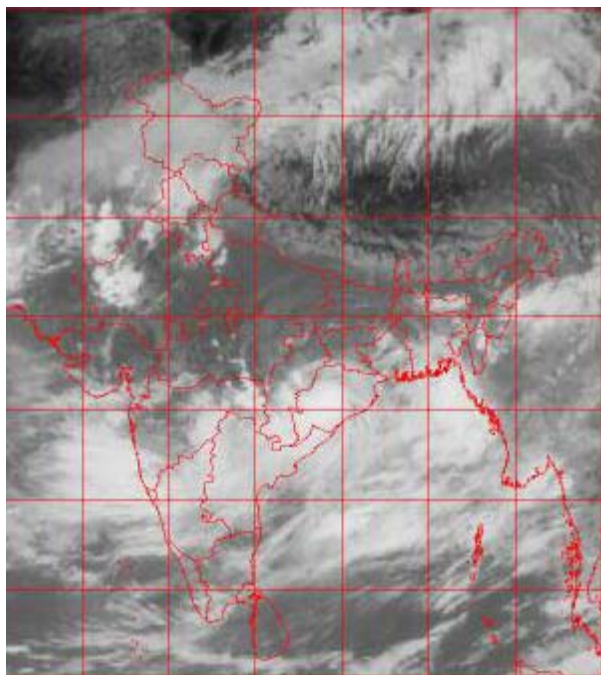
**BUY** MCX- July Guar Seed above 1571 with target of 1591. Stop loss near 1561.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	29.06.07	28.06.07	Change
Guar Seed	Bikaner	1560-70	1600	-30
	Jodhpur	1675	1700	-25
	Nokha	1530-40	1560-70	-30
Guar Gum	Sriganganagar			
	Jodhpur	4050	4150	-125

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 29.06.07)



### 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