

## GUAR DAILY

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

### SPOT MARKETS:

Guar seed prices remained unchanged at most of the major markets on mild demand against restricted arrivals, while prices of guar gum at Jodhpur market eased further on the back of ample supply situation. As per the trade sources, good demand from exporters witnessed at lower price levels, as the current prices makes export viable despite weakness in dollar. Consequently, some demand from millers also witnessed during the Saturday's trade. Further, rainfall over NW part of India particularly Haryana and Punjab coupled with report of good monsoon progress is heavily weighing on prices. Arrivals at the majority of markets stood at around 5000-5500 bags. No arrival reported in Bikaner whereas Nokha received the arrival of 100-150 bags.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed range bound trade with bullish tone. July contract opened weak at Rs 1702/qrtl, down Rs 9 against the previous close of Rs 1711/qrtl and traded down initially testing a low of Rs 1692/qrtl. However, prices recovered thereafter on some buying interest and settled at Rs 1706/qrtl. June and July contract traded in a narrow range of Rs 1669-1687/qrtl and Rs 1692-1710/qrtl. In July contract both volume and open interest declined. Guar gum June and July contract traded in the range of Rs 4270-4301/qrtl and Rs 4260-4370/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with bullish tone. The most active July contract opened weak at Rs 1675.0 against the previous close of Rs 1685.0 and traded down initially testing a low of Rs 1674.0. However, prices traded up thereafter on some buying interest and settled at Rs 1681.0. June and July contract traded in the range of Rs 1610.00-1649.00/qrtl and Rs 1674.00-1684.00/qrtl.

### PRICE DRIVERS:

1. Marginal improvement in dollar
2. Demand from exporters & millers
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:

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 indecisive market. Prices closed far below the 9 and 18 days EMA, which show weakness in prices. MACD is moving down in negative region which indicate increase in bearishness. Stochastic is moving slightly up in oversold region while RSI is running down in oversold region. Market is expected to trade down 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.	1660	1670	1706	1723	1730
NCDEX Guar Gum July.	4311	4331	4360	4402	4418
MCX Guar Seed July.	1640	1650	1681	1700	1710

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**SELL** NCDEX- July Guar Seed below 1712 with target of 1692 then 1682. Stop loss near 1722.

**SELL** NCDEX- July Guar Gum below 4388 with target of 4358 then 4343 Stop loss near 4403.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

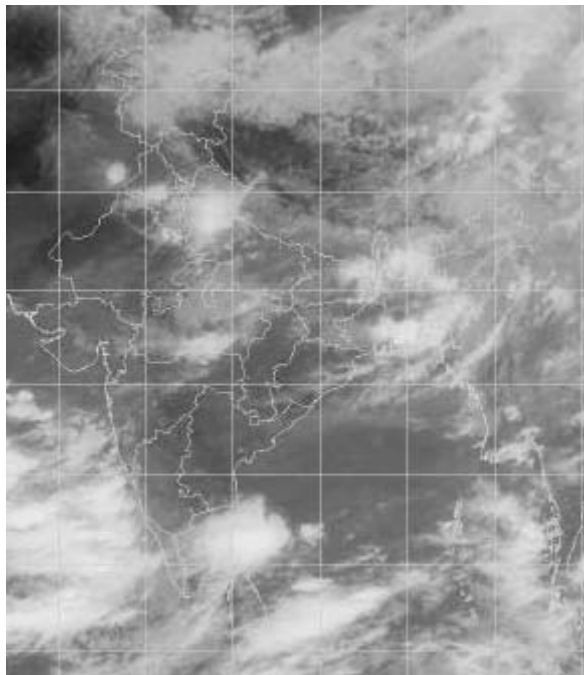
**SELL** MCX- July Guar Seed below 1687 with target of 1667. Stop loss near 1697.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	16.06.07	15.06.07	Change
Guar Seed	Bikaner	1690	1690	0
	Jodhpur	1800	1800	0
	Nokha	1630	1630	0
Guar Gum	Sriganganagar			
	Jodhpur	4375	4400	-25

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 16.06.07)



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