

GUAR DAILY

16th, June 2007

SPOT MARKETS:

Guar seed and guar gum prices eased at the majority of markets on the back of report of good monsoon progress. Rainfall over NW part of India particularly over Haryana further imparted bearishness in the market. As per IMD, conditions are favourable for further advancement of monsoon in next few days, which likely to impart further bearishness in the market. Exporters and millers remained active in the market at lower price levels. Arrivals at the majority of markets stood at around 5000-5500 bags. In Bikaner and Nokha mandi arrival stood at 100 bags and 150 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish tone. July contract opened weak at Rs 1735/qrtl, down Rs 4 against the previous close of Rs 1739/qrtl. Contract then traded down thereafter on increased selling pressure coupled with the reports of favourable monsoon progress testing a low of Rs 1695/qrtl and finally settled red. June and July contract traded in a narrow range of Rs 1672-1711/qrtl and Rs 1695-1735/qrtl. In July contract volume increased while open interest declined. Guar gum June and July contract traded in the range of Rs 4275-4327/qrtl and Rs 4331-4400/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened weak at Rs 1702.0 against the previous close of Rs 1716.0 and traded up initially testing a high of Rs 1707.0. However, prices traded down thereafter on increased selling pressure and settled red. June and July contract traded in the range of Rs 1646.00-1675.00/qrtl and Rs 1673.00-1707.00/qrtl.

PRICE DRIVERS:

1. Marginal improvement in dollar
2. Mild 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 weakness market. Prices closed well 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 and RSI is moving 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.	1670	1680	1709	1730	1740
NCDEX Guar Gum July.	4311	4331	4355	4401	4412
MCX Guar Seed July.	1650	1660	1687	1710	1732

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1720 with target of 1700 then 1690. Stop loss near 1730.

SELL NCDEX- July Guar Gum below 4387 with target of 4357 then 4342 Stop loss near 4402.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

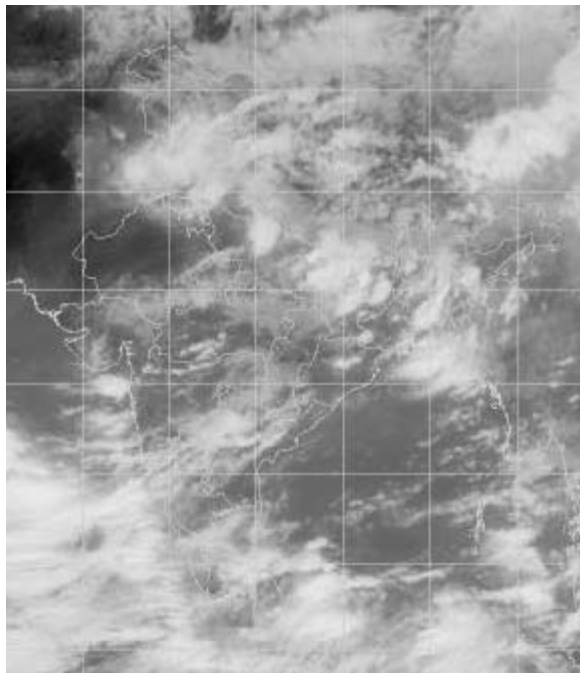
SELL MCX- July Guar Seed below 1700 with target of 1680 then 1670. Stop loss near 1710.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	15.06.07	14.06.07	Change
Guar Seed	Bikaner	1690	1700	-10
	Jodhpur	1800	1815	-15
	Nokha	1630	1640	-10
Guar Gum	Sriganganagar			
	Jodhpur	4400	4475	-75

SATELLITE IMAGE OF MONSOON PROGRESS (as on 15.06.07)



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