

## GUAR DAILY

11th, July 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum were up at all the major markets in Rajasthan amid good physical demand against restricted supply. Lower arrivals at most of the major markets due to rains supported the market sentiments during the Tuesday's trade. Good demand from exporters and millers are reported in the market. However, stockiest are hoarding stocks in anticipation of price rise. Further, sowing process is picking up the pace in rest part of Rajasthan and Haryana after the recent rainfall. As per the trade sources, Guar production in Haryana is likely to increase during the current crop season due to increase in acreage. Meanwhile, the IMD predicted for heavy to very rainfall over East Rajasthan and fairly widespread rainfall over West Rajasthan in next 48 hours which is favourable for guar cultivation. On the other hand, it may also damage the recently sown crops as guar is susceptible to water logging. Total arrivals at the major markets of Rajasthan stood at around 3000-3500 bags with no arrival reported in Nokha and Bikaner.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. August contract opened weak at Rs 1646/ql, down Rs 2 against the previous close of Rs 1648/ql and traded down initially testing a low of Rs 1630/ql. However, prices recovered thereafter on increased buying interest and short covering and settled in the positive territory. August contract traded in the range of Rs 1630-1666/ql and the July contract traded in the range of Rs 1608-1639/ql. In August contract both volume declined significantly while open interest declined marginally. Guar gum August contract traded in the range of Rs 4202-4277/ql and the July contract traded in the range of Rs 4141-4210/ql.

MCX Guar seed futures narrow range bound trade with bullish tone. The most active August contract opened weak with a small gap down at Rs 1612.0 against the previous close of Rs 1634.0 and traded down initially testing a low of Rs 1604.0. However, prices recovered thereafter on some buying interest but finally settled at Rs 1626.0 below the previous closing. August contract traded in the range of Rs 1604.00-1627.00/ql and the July contract traded in the range of Rs 1570.0-1590.0/ql.

### PRICE DRIVERS:

1. Good demand from exporters & millers
2. Improvement stocks in exchange warehouses
3. Weak arrival in the market
4. Stockiest hoarding
5. IMD downwards its forecast to 93% LPA from 95% for this years monsoon
6. Good overseas demand
7. Flood like condition due to heavy rains in Sindh (Pakistan) may damage the crop

### WEATHER IMPACT:

Heavy rainfall is expected over East Rajasthan and West Rajasthan. 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 chart shows recovery in prices. Prices closed far below the 9 and 18 days EMA. MACD is moving flat in the negative region. Stochastic is moving down in the neutral region while RSI is moving upward in the neutral region. 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 August Contract:



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

| Contract                | S2   | S1   | PCP  | R1   | R2   |
|-------------------------|------|------|------|------|------|
| NCDEX Guar Seed August. | 1622 | 1638 | 1665 | 1717 | 1729 |
| NCDEX Guar Gum August.  | 4240 | 4256 | 4256 | 4330 | 4341 |
| MCX Guar Seed August.   | 1608 | 1620 | 1626 | 1665 | 1674 |

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- August Guar Seed above 1671 with target of 1691 then 1701. Stop loss near 1661.

**BUY** NCDEX- August Guar Gum above 4271 with target of 4300 then 4315. Stop loss near 4272.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

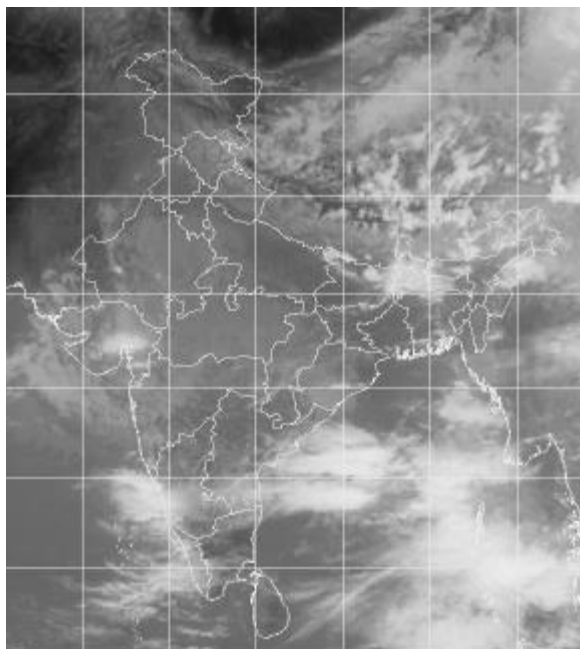
**BUY** MCX- August Guar Seed above 1630 with target of 1645 then 1655. Stop loss near 1622.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

| Commodity | Centres       | 10.07.07 | 09.07.07 | Change |
|-----------|---------------|----------|----------|--------|
| Guar Seed | Bikaner       | 1600     | 1550-60  | +40    |
|           | Jodhpur       | 1725-30  | 1720     | +10    |
|           | Nokha         | 1570-80  | 1510-20  | +60    |
| Guar Gum  | Sriganganagar |          |          |        |
|           | Jodhpur       | 4275     | 4225-30  | +45    |

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 10.07.07)



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