

13th, July 2007

## GUAR DAILY

### SPOT MARKETS:

The spot prices of guar seed and guar gum were up in all the major markets as good physical demand offsets lower arrivals during the Thursday's trade. Normal demand from exporters and good demand from millers are reported in the market. However, all major markets have received lower arrivals as stockiest are hoarding stocks in anticipation of price rise. Guar seed stocks at NCDEX accredited warehouses stood at 26,110 tonnes as on July 11. Thus, taking into account the above factors, prices are likely to remain steady to slightly firm in coming days. Sowing of guar crops is in full swing in Haryana and Rajasthan. As per the trade sources, a normal rainfall in July will favour the guar cultivation. Above the normal rainfall as IMD forecast heavy rainfall in parts of Rajasthan may disrupt the sowing process. Water logging in guar fields may damage the guar crops as the crop is susceptible to water logging. This year's increased guar acreage may also lead the increase of guar production. Total arrivals at the major markets of Rajasthan stood at around 2500-3000 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. 1675/mt, down of Rs. 1 against the previous close of Rs 1676/mt and traded down initially testing a low of Rs. 1667. However, prices recovered thereafter on increased buying interest at lower level and settled at Positive side. August contract traded in the range of Rs 1667-1713/mt and the July contract traded in the range of Rs 1647-1685/mt. In August contract open interest decreased marginally and volume declined significantly.

MCX Guar seed futures witnessed firm sentiment with bullish tone. The most active August contract opened firm at Rs 1644 against the previous close of Rs 1635 and traded down initially testing a low of Rs 1628. However, prices recovered thereafter on increased buying interest and finally settled at Rs 1667. August contract traded in the range of Rs 1628-1667/mt and the July contract traded in the range of Rs 1571.5-1638/mt.

### PRICE DRIVERS:

1. Normal demand from exporters & millers
2. Lower arrivals in the market
3. Stockiest hoarding
4. IMD downwards its forecast to 93% LPA from 95% for this years monsoon
5. Flood like condition in Sindh (Pakistan) may damage the crop

### 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 chart shows firmness in market. Closing price is above the 9 and 18 days EMA. MACD is moving steadily up in the negative region. Stochastic is moving flat in the neutral region and RSI is moving upward in the neutral region. Market is expected to trade 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.	1673	1689	1709	1750	1766
NCDEX Guar Gum August.	4337	4356	4381	4441	4458
MCX Guar Seed August.	1647	1658	1667	1716	1726

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- August Guar Seed above 1703 with target of 1726 then 1736. Stop loss near 1691.5.

**BUY** NCDEX- August Guar Gum above 4376 with target of 4406 then 4421. Stop loss near 4361.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

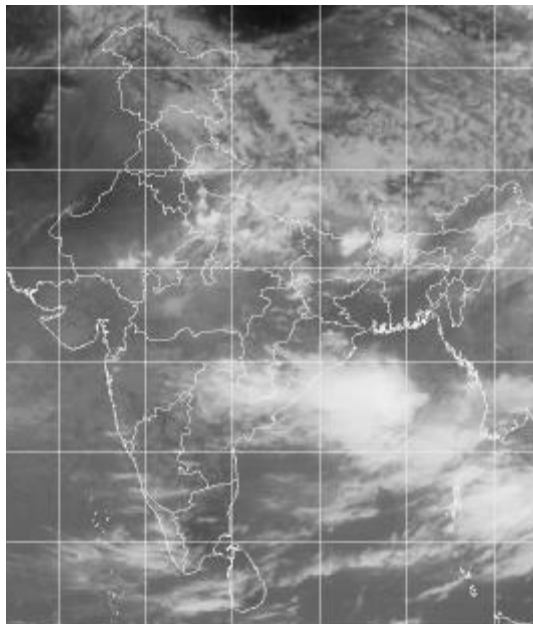
**BUY** MCX- August Guar Seed above 1672 with target of 1691, then 1703. Stop loss near 1662.5.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.07.07	11.07.07	Change
Guar Seed	Bikaner	1610-1630	1590-1600	+30
	Jodhpur	1750-60	1725-1730	+30
	Nokha	1600-1610	1560-1570	+40
Guar Gum	Sriganganagar			
	Jodhpur	4350	4300	+50

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 12.07.07)



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