

## GUAR DAILY

9th, July 2007

### SPOT MARKETS:

Amidst lower arrivals against good physical demand the prices of both guar seed and guar gum improved at most of the major market of Rajasthan. Supply shortage due to stockists holding back and recent rains over Rajasthan against a good demand from exporters and millers imparted bullishness in the market. On other hand, talks of 20% crop damage in Pakistan (Sindh & Baluchistan) due to heavy rains further supported the sentiment. Further, the sowing process is picking up its pace in Haryana and rest parts of Rajasthan. Haryana is expected to produce more during the current crop season due to increase in acreage, traders reported. Overall arrivals at the major markets of Rajasthan declined marginally and reported at around 3000-3500 bags with no arrival reported in Nokha and Bikaner.

### FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with slightly bullish tone. July contract opened firm at Rs 1684/qrtl, up Rs 7 against the previous close of Rs 1677/qrtl and traded down initially testing a low of Rs 1680/qrtl. However, prices recovered thereafter on buying interest and managed to settle in the positive side. July contract traded in the range of Rs 1680-1694/qrtl. In July contract both volume and open interest declined. Guar gum July contract traded in the range of Rs 4230-4335/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with slightly bullish tone. The most active July contract opened firm at Rs 1642.0 against the previous close of Rs 1640.0. Contract then traded up on some buying interest and managed to settle in the positive side. July contract traded in the range of Rs 1642.00-1645.00/qrtl.

### PRICE DRIVERS:

1. Good demand from exporters & millers
2. Week supply in the market
3. IMD downwards its forecast to 93% LPA from 95% for this years monsoon
4. Rains over some part of Rajasthan, Haryana & Punjab
5. Expectation of normal to better monsoon
6. Ample stock position in the market
7. Good overseas demand
8. Flood like condition due to heavy rains in Sindh (Pakistan) may damage the crop

### WEATHER IMPACT:

SW monsoon further advanced into the rest part of 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 formed doji pattern which indicate for further improvement in prices. MACD and EMA hints for firmness in market. Stochastic is rising in the neutral region and about to enter in the over bought region while RSI is rising in the neutral 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.	1663	1677	1685	1735	1746
NCDEX Guar Gum July.	4283	4295	4310	4372	4388
MCX Guar Seed July.	1615	1626	1643.5	1689	1698

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- July Guar Seed above 1688 with target of 1708 then 1718. Stop loss near 1678.

**BUY** NCDEX- July Guar Gum below 4322 with target of 4347 then 4359. Stop loss near 4310.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

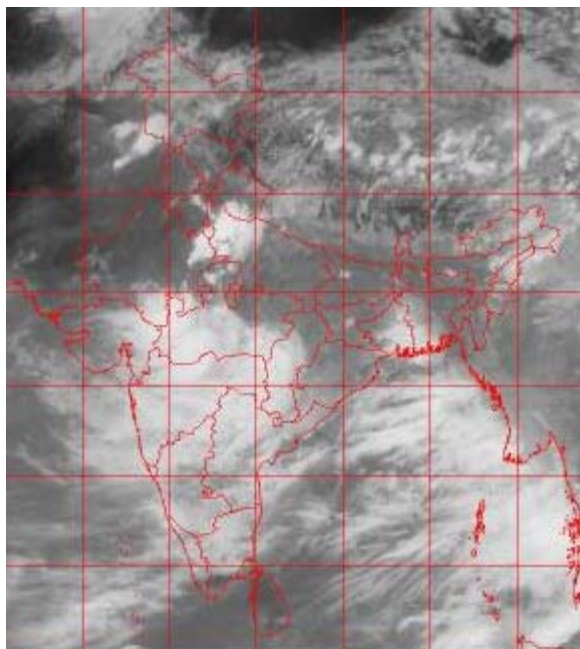
**BUY** MCX- July Guar Seed above 1647 with target of 1667 then 1677. Stop loss near 1637.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	07.07.07	06.07.07	Change
Guar Seed	Bikaner	1635	1620-25	+10
	Jodhpur	1770	1750-60	+10
	Nokha	1600-10	1600	+10
Guar Gum	Sriganganagar			
	Jodhpur	4375-4400	4310	+90

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 07.07.07)



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