

## GUAR DAILY

7th, July 2007

### SPOT MARKETS:

The prices of both guar seed and guar gum at Jodhpur market remained unchanged on subdued trading activity while eased marginally in Bikaner and Nokha market on weak demand against normal arrivals. Recent rains over Rajasthan region affected the trading activity in the market during the Friday's trade. Demand from millers and exporter remained subdued in the market. Sources reported that the sowing process is picking up pace in Haryana and in some parts of Rajasthan. After the recent rains farmers are started preparing their field in rest part of Rajasthan. Haryana is expected to produce more during the current crop season due to increase in acreage this year, traders reported. Total arrivals at the majority of market stood steady at 3500-4000 bags with no arrivals 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 1677/qlt, up Rs 8 against the previous close of Rs 1669/qlt and traded down initially testing a low of Rs 1667/qlt. However, prices recovered thereafter on buying interest and managed to settle in the positive side. July contract traded in the range of Rs 1667-1695/qlt. In July contract volume increased while open interest declined marginally. Guar gum July contract traded in the range of Rs 4250-4310/qlt.

MCX Guar seed futures witnessed narrow range bound trade with slightly bullish tone. The most active July contract opened firm at Rs 1639.0 against the previous close of Rs 1627.5 and traded down initially testing a low of Rs 1628.0. However, prices recovered on buying interest and managed to settle in the positive side. July contract traded in the range of Rs 1628.00-1649.00/qlt.

### PRICE DRIVERS:

1. Mild demand from exporters & millers
2. IMD downwards its forecast to 93% LPA from 95% for this years monsoon
3. Rains over some part of Rajasthan, Haryana & Punjab
4. Expectation of normal to better monsoon
5. Ample stock position in the market
6. Good overseas demand
7. 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 firmness in prices. MACD and EMA indicate for firmness in market. Both Stochastic and 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.	1651	1663	1679	1722	1735
NCDEX Guar Gum July.	4250	4260	4280	4356	4372
MCX Guar Seed July.	1615	1626	1641	1689	1698

### INTRADAY TRADE RECOMMENDATION (NCDEX):

**BUY** NCDEX- July Guar Seed above 1682 with target of 1702 then 1712. Stop loss near 1672.

**BUY** NCDEX- July Guar Gum below 4295 with target of 4320 then 4335. Stop loss near 4283.

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

### INTRADAY TRADE RECOMMENDATION (MCX):

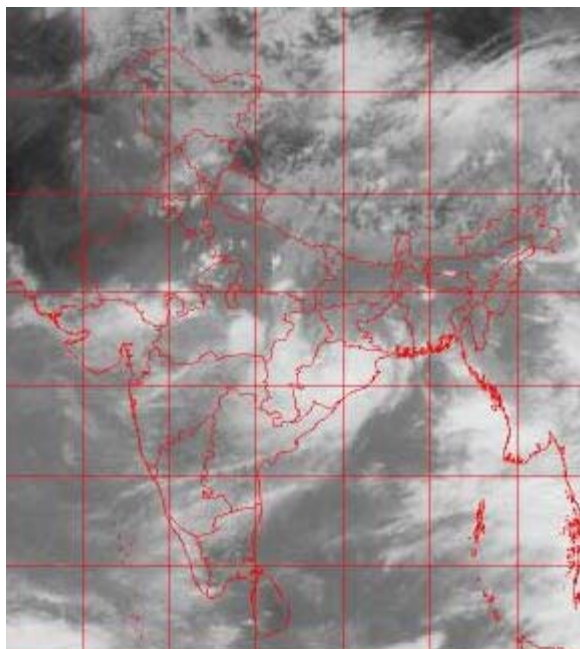
**BUY** MCX- July Guar Seed above 1647 with target of 1667 then 1677. Stop loss near 1637.

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

## GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	06.07.07	05.07.07	Change
Guar Seed	Bikaner	1620-25	1630-35	-10
	Jodhpur	1750-60	1750-60	-
	Nokha	1600	1610	-10
Guar Gum	Sriganganagar			
	Jodhpur	4310	4310	-

## SATELLITE IMAGE OF MONSOON PROGRESS (as on 06.07.07)



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