

GUAR DAILY

December 02nd, 2006

GUAR

SPOT MARKETS:

Guar sentiment turns towards bullish on good demand amidst decreasing arrivals. The arrivals are reportedly decreased to 30,000-35,000 bags in all over India. Moreover, the bullish tone at futures is underpinning the spot market tone. The export scenario is sluggish so far as Pakistan is offering guar at lower price as compare to India. However, India contributes around 80 per cent in the world's total guar production. After the end of Pakistan's stocks the export demand will be rising from India. Rising demand from export side as well as stockists interest of buying would support the sentiments at coming future. The total out put of guar is expected to be higher from the previous year production. In the year of 2005-06, India exported Rs 1,067 crore worth of guar gum, which is expected to touch Rs 1,200 crore in 2006-07. In the current year the stocks of mill owners are reported to be very low so far, as they really can't afford to the current price levels.

FUTURES MARKETS:

Guar seed futures at the NCDEX is traded sharply upwards following a firm opening. Increased speculative buying lifted the futures and settled near day's high in final action. At the NCDEX, Guar Seed December contract traded in the range of Rs. 2020-2089 per qtl, while the most active January contract moved in the range of Rs. 2069-2141 per qtl Guar Gum December contract traded in the range of Rs. 5100-5289 per qtl, while the most active January contract moved in the range of Rs. 5250-5421 per qtl

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production as compared to previous year

Bullish:

2. Farmers unwillingness to release their stocks at lower price levels
3. Good stockists demand amidst decreasing arrivals
4. Anticipation of higher export in the coming days

WEATHER IMPACT:

Guar harvesting is almost completed in major guar producing belts.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	01.12..06	30.11.06	Change
Guar Seed	Bikaner	1980	1920	+60
	Jodhpur	2050-2070	2000	+70
	Nokha	1910-1920	1820	+100
	Sriganganagar	1910	1820	+90
Guar Gum	Jodhpur	5356	5200	+156

TECHNICALS:

Candlestick pattern is hinting bullish sentiments. Buyers mainly dominated the market. The stochastic is in normal region and moving slightly upwards. MACD is in positive territory and moving slightly upwards. Prices closed above 9-day and 18-day EMA. Indicating firm tone.

OUTLOOK:

Guar seed futures are likely to move upwards initially following a firm opening with possibility of late downwards movement on profit booking.

NCDEX Guar Seed January Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Jan.	2092	2109	2135	2175	2190
Guar Gum Jan.	5300	5340	5401	5500	5540

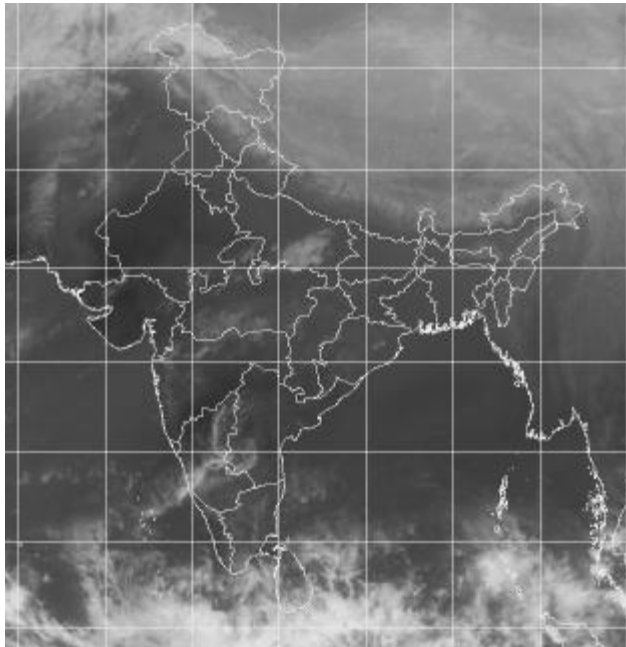
INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- January Guar Seed above 2120 with target of 2145 then 2158 Stop loss below 2105.

BUY NCDEX- January Guar Gum above 5360 with target of 5420 then 5450 Stop loss below 5330.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (30.11.06)



Monsoon Outlook (30.11.06)

- Under the influence of an approaching western disturbance, snowfall activity is likely to commence over Western Himalayan region from 3rd onwards.
- Day and night temperatures are 2-3 °C below normal over the Indo-Gangetic plains. Night temperatures are likely to increase over plains of northwest India from 2nd onwards. Rain/thundershowers is also likely over plains of northwest India during 4th to 6th.
- Lowest night temperature in the plains of the country was 3.4°C recorded at Adampur in Punjab.

Outlook for subsequent two days (Based on numerical weather products):

- Widespread snowfall activity with isolated heavy falls is likely over Western Himalayan region. Scattered rain/thundershower is also likely over the plains of northwest India.
- Increase in night temperature and decrease in day temperatures likely over northwest India.

Source: GOI (IMD)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd