

## GUAR DAILY

December 28th, 2006

### SPOT MARKETS:

Spot market prices of guar seed remain almost steady in the major trading centers on subdued demand from buyers. While spot prices of guar gum improved slightly due to the higher prices of guar gum at futures market. Arrivals remain steady in the market and it noted around 25000 bags in all over India. Farmers are interested in releasing their stock at higher price level. Lack of direction at futures market has mainly limited the market activities. The traders are optimistic about firm tone in physical market in coming futures on good export demand because of Pakistan's stocks are decreasing sharply.

### FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active February contract opened weak at Rs. 2000 and traded upwards thereafter on increased buying interest at current level and tested a high of Rs. 2037 and finally settled in the positive territory. February contract moved in the range of Rs. 2037-2000 per qtl while the January contract moved in the range of Rs. 2001-1972 per qtl. Guar gum January contract traded in the range of Rs. 4970-4876, while the February contract fluctuated in the range of 5075-4961 per qtl.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Pakistan's export prices remain lower as against India

#### Bullish:

3. Farmers are unwilling to sell at lower price levels
4. Expectation of higher export in the coming days
5. Arrivals is likely to decrease in the coming days

### WEATHER IMPACT:

Guar harvesting is almost completed in major guar producing belts, and therefore, weather is not a concern at the moment.

### TECHNICALS:

Candlestick pattern indicates somewhat firm sentiment and reflects that buyers are dominated the market at lower price levels. Stochastic is in oversold region and moving upwards following a bullish crossover. MACD is in negative territory and moving slightly upwards. Prices closed below 9-day and 18-day EMA indicating sideways sentiments.

### OUTLOOK:

Guar seed futures are expected to trade downwards initially following a weak opening and upward movement thereafter.

### NCDEX Guar Seed February Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1985	1995	2017	2045	2055
Guar Gum Feb.	4950	4980	5040	5112	5144

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- February Guar Seed above 2005 with target of 2030 then 2042 Stop loss near 1990.

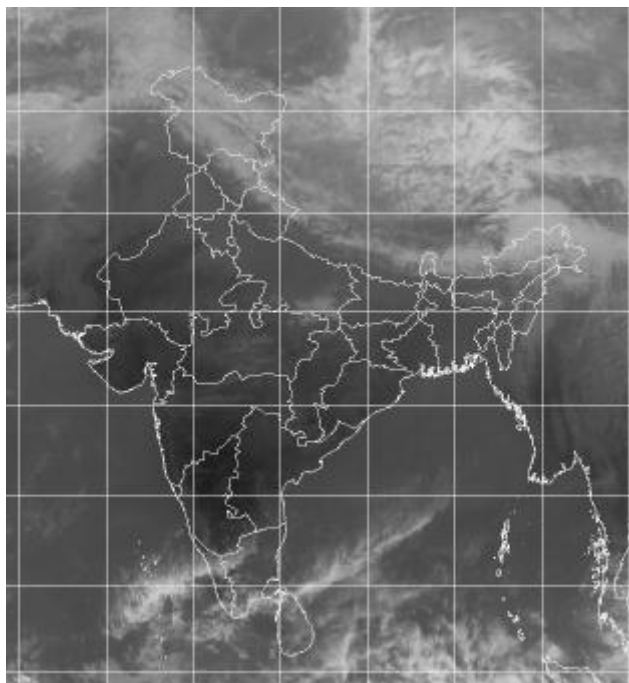
**BUY** NCDEX- February Guar Gum above 5000 with target of 5060 then 5090 Stop loss near 4975.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	27.12.06	26.12.06	Change
Guar Seed	Bikaner	1870	1870	-
	Jodhpur	2000	2000	-
	Nokha	1851	1830	+21
	Sriganganagar	1865	1865	-
Guar Gum	Jodhpur	5200	5122	+78

## SATELLITE PICTURE OF MONSOON PROGRESS (27.12.06)



### Monsoon Outlook (27.12.06)

- As predicted, western Himalayan region experienced scattered snowfall activity during past 24 hours. Light rainfall also occurred over the adjoining plains of northwest India during the same period. Night temperatures have fallen by 3-4 °C over Rajasthan, Punjab and parts of Himachal Pradesh, Haryana and Jammu division of Jammu & Kashmir. Fog condition also prevailed over north Rajasthan, Haryana, Delhi and isolated pockets of Punjab, Himachal Pradesh, Uttaranchal and West Uttar Pradesh.
- Night temperatures are likely to fall further by 2-4 °C and occurrence of fog in the morning hours likely over plains of northwest India during next 1-2 days.
- Lowest night temperature in the plains of the country was 5.0°C recorded at Amritsar in Punjab.

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

- Night temperatures are likely to rise over the plains of 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