

GUAR DAILY

December 16th, 2006

GUAR

SPOT MARKETS:

Guar prices remained steady to somewhat weak. The arrival is reportedly at about 25000-30000 bags in all over India. Steady demand supply scenario is pressurizing market. Moreover, somewhat bearish note at the futures market is also restricting traders' activities. Millers demand improved slightly. Higher prices of guar gum motivated millers to increase their stock position. The traders are optimistic about firm tone in physical market. However, lower quotation of Pakistan's guar gum export price as against India is still pressurizing the guar market sentiments here.

FUTURES MARKETS:

Guar seed futures at NCDEX traded downwards following a firm opening. Increased speculative selling pressurise the futures throughout the session and January guar seed contract tested a low of Rs. 2066 and settled red. January contract hovers in the range of Rs. 2105-2066 per qtl while the December contract moved in the range of Rs. 2064-2030 per qtl by the end of the session. Guar gum December contract traded in the range of Rs. 5210-5034, while the January contract fluctuated in the range of 5320-5236 per qtl.

PRICE DRIVERS:

Bearish:

1. Expectation of higher production as compared to previous year
2. Pakistan's export prices remain lower as against India

Bullish:

3. Millers demand improved somewhat
4. Improve demand amidst steady to weak arrivals
5. Expectation of higher export 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 weak sentiment. Sellers mainly dominated the market. Stochastic is in normal region and moving upwards. MACD is in negative territory and moving slightly upwards. Prices closed above 9-day and 18-day EMA., indicating somewhat bullish sentiments.

OUTLOOK:

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

NCDEX Guar Seed January Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Jan.	2040	2048	2073	2100	2109
Guar Gum Jan.	5180	5208	5263	5350	5400

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- January Guar Seed above 2060 with target of 2085 then 2097 Stop loss below 2045.

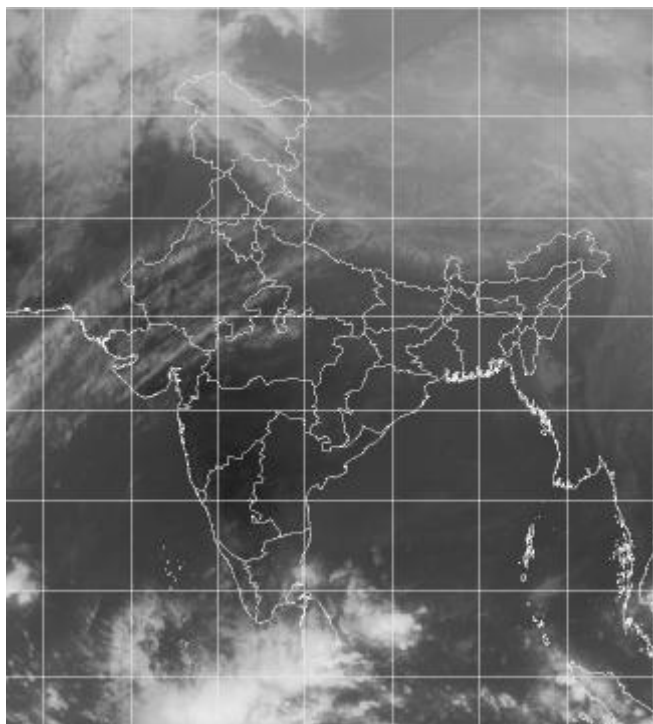
BUY NCDEX- January Guar Gum above 5230 with target of 5280 then 5305 Stop loss below 5205.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	15.12.06	14.12.06	Change
Guar Seed	Bikaner	1960	1960	-
	Jodhpur	2050	2050	-
	Nokha	1915	1924	-9
	Sriganganagar	1910	1925	-15
Guar Gum	Jodhpur	5330	5408	-78

SATELLITE PICTURE OF MONSOON PROGRESS (15.12.06)



Monsoon Outlook (14.12.06)

- No significant change was occurred in night temperature during past 24 hours over plains of northwest India, East India and Gangetic plains. The present scenario is likely to continue during next 2-3 days over same area.
- Lowest night temperature in the plains of the country was 2.0°C recorded at Adampur in Punjab.

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

- A fresh western disturbance is likely to affect western Himalayan region

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