

GUAR DAILY

January 31st, 2007

SPOT MARKETS:

Guar spot market observed steady sentiments during the Tuesday's trade. As per the market sources, major global importers are diverting their demand to Pakistan as the guar gum is offered at lower prices at around Rs. 4500 per qtl as against India's Rs. 4950 per qtl. However, in view of depleting stock of guar gum in Pakistan, India is likely to bank on exports in near future. Arrivals increased slightly from 1100 to 1200 bags in Bikaner and 100 to 200 bags in Nokha. Overall arrivals remain steady at about 15000-16000 bags in all over India. Slight demand from millers observed during the today's trade, while Stockists activity remain silent in the market. Moreover, the firmness in the guar futures market, affected the trading activities in the spot market.

FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish tone. The most active March contract opened weak at Rs. 2001 against the previous close of Rs. 2004 and traded upwards thereafter and tested a high of Rs. 2017. However, selling pressure at higher level pushed the futures to trade downwards and finally settled in the negative side. March contract moved in the range of Rs. 2017-1988 per qtl while the February contract moved in the range of Rs. 1981-1956 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 not releasing their stock at lower prices
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 chart pattern exhibits indecisive market sentiment. Stochastic is in normal region and moving upwards. MACD is in negative region and moving slightly upwards, indicating firm tone for medium term. Closing price is in-between 9 days and the 18 days EMA. Market is expected to trade bullish following a steady to weak opening. However, there is a possibility of some early downwards movement.

OUTLOOK:

Guar seed futures are expected to trade upwards following a steady to weak opening.

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1970	1978	1999	2025	2034
Guar Gum Mar.	4868	4900	4945	5000	5062

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- March Guar Seed above 1990 with **target** of 2015 then 2025 **Stop loss** near 1975.

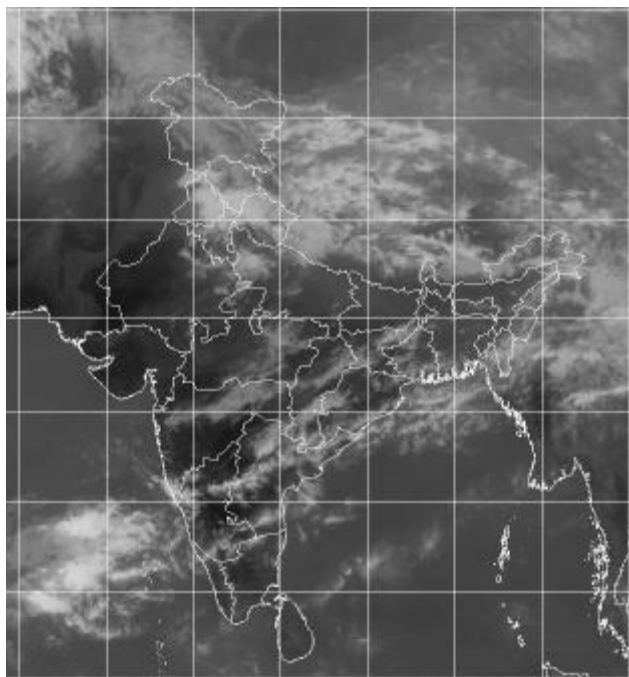
BUY NCDEX- March Guar Gum above 4925 with **target** of 4975 then 5000 **Stop loss** near 4895.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	30.01.07	29.01.07	Change
Guar Seed	Bikaner	1860	1860	-
	Jodhpur	1970	1970	-
	Nokha	1810	1810	-
	Sriganganagar	1760	1760	-
Guar Gum	Jodhpur	4992	4992	-

SATELLITE PICTURE OF MONSOON PROGRESS (30.01.07)



Monsoon Outlook (30.01.07)

- Day and night temperatures continued to be 6-8 °C above normal over most parts of northwest India and adjoining Central India. However, night temperature are likely to show falling trend after 24 hours for next 2-3 days.
- Lowest night temperature in the plains of the country was 7.4 °C recorded at Amritsar in Punjab.

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

- Further fall in night temperatures over Indo-Gangetic plains.

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