

GUAR DAILY

January 30th, 2007

SPOT MARKETS:

Guar spot market observed firm sentiments during the Monday's trade where spot prices of guar seed and guar gum quoted higher in the majority of markets on slight demand and steady arrivals. Arrivals remain steady at 1100 bags in Bikaner, while declined slightly to 100 from 300 bags in Nokha. Overall arrivals remain steady at 15000-16000 bags a day in all over India. As per the market sources some buying activity from Stockists as well exporters are noticed during the today's trade. Moreover, the firmness in the guar futures market, affected the trading activities in the spot market.

FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active March contract opened firm at Rs. 1975 against the previous close of Rs. 1970 and traded downwards thereafter and tested a low of Rs. 1967 in the early hours of the trade. However, increased buying interest at lower level supported the futures to traded upwards and finally settled in the positive side. March contract moved in the range of Rs. 2013-1967 per qtl while the February contract moved in the range of Rs. 1977-1934 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 firm tone, reflects buyers recovered the market. Stochastic is in normal region and moving upwards following a bullish crossover. MACD is in negative region and moving upwards. Closing price is in-between the 9 days and the 18 days EMA.

OUTLOOK:

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

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1980	1988	2002	2034	2045
Guar Gum Mar.	4880	4907	4950	5040	5068

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- March Guar Seed above 1995 with target of 2020 then 2032 Stop loss near 1980.

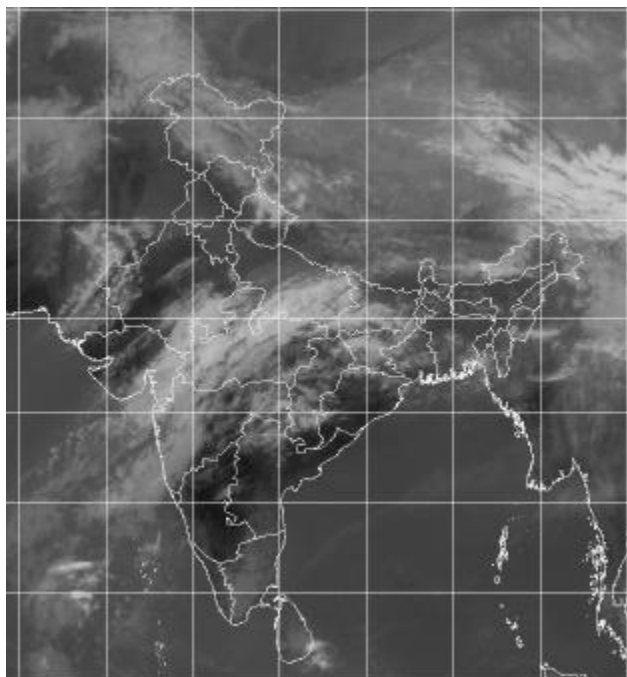
BUY NCDEX- March Guar Gum above 4925 with target of 4965 then 5000 Stop loss near 4900.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	28.01.07	27.01.07	Change
Guar Seed	Bikaner	1860	1840	+20
	Jodhpur	1970	1940	+30
	Nokha	1810	1800	+10
	Sriganganagar	1760	1745	+15
Guar Gum	Jodhpur	4992	4888	+104

SATELLITE PICTURE OF MONSOON PROGRESS (29.01.07)



Monsoon Outlook (29.01.07)

- Both day and night temperatures are above normal by 5-7 °C over many parts of northwest & Central India due to warm southerly/southwesterly winds prevailing over the region. Fog conditions were also experienced over Indo-Gangetic plains during morning hours. The current scenario is likely to continue for another 24 hours. Subsequently, due to change in wind pattern, westerly/ northwesterly winds are likely to prevail over the region from 31st onwards leading to fall in temperatures.
- Lowest night temperature in the plains of the country was 7.3 °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.
- Light rain/ thundershower is likely over northeastern states.

Source: GOI (IMD)

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