

GUAR DAILY

January 6th, 2007

SPOT MARKETS:

Spot market prices of guar seed and guar gum recovered in the majority of markets amidst good demand and slightly improved arrivals. Arrivals increased from 18000 bags to 20000 bags in all over India because of the bullish tone of futures market as well as the farmers are releasing their stock at higher price level. Stockist's activity remains steady in the market and they have been waiting for futures prices to come down, so that they can buy at lower price level to increase their stock position and to earn more profit in off-season. Further, the higher guar gum prices in the futures market motivated the miller to remain active in the market.

FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active February contract opened firm at Rs. 2003 against the previous close of Rs. 1994 and traded upwards on increased buying interest and tested a high of Rs. 2049 and finally settled in the positive territory. February contract moved in the range of Rs. 2049-1999 per qtl while the January contract moved in the range of Rs. 2010-1961 per qtl. Guar gum January contact traded in the range of Rs. 5051-4860, while the February contract fluctuated in the range of 5153-4960 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 chart pattern exhibits firm sentiment, reflects buying interest mainly dominated the market. Stochastic is in normal region and moving upwards. MACD is in negative region and moving upwards. Closing price is above 9 days and the 18 days EMA. Market is expected to trade bullish following a firm opening.

OUTLOOK:

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

NCDEX Guar Seed February Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	2014	2024	2047	2078	2091
Guar Gum Feb.	5054	5090	5151	5249	5281

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- February Guar Seed above 2040 with target of 2065 then 2077 Stop loss near 2025.

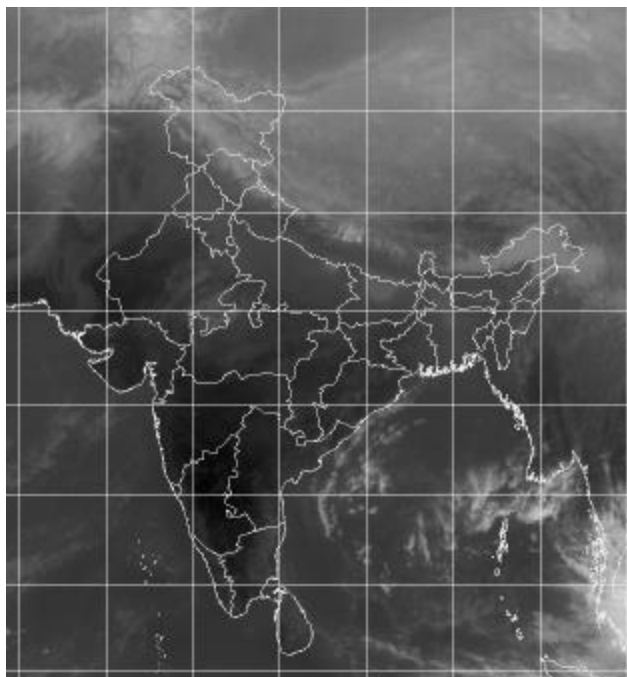
BUY NCDEX- February Guar Gum above 5122 with target of 5172 then 5200 Stop loss near 5090.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	05.01.07	04.01.07	Change
Guar Seed	Bikaner	1890	1855	+35
	Jodhpur	2000	1960	+40
	Nokha	1840	1820	+20
	Sriganganagar	1815	1805	+10
Guar Gum	Jodhpur	5148	5044	+104

SATELLITE PICTURE OF MONSOON PROGRESS (05.01.07)



Monsoon Outlook (05.01.07)

- Cold wave conditions prevailed at some places over Punjab and isolated pockets of Jammu division of Jammu & Kashmir, north Haryana, East Uttar Pradesh and Jharkhand. Night temperatures were 2-3 °C below normal over remaining parts of Gangetic plains. Ground frost was also experienced at some places over Punjab and Haryana. Night temperatures are likely to increase over plains of northwest India during next 24 hours.
- Under the influence of the western disturbance, located over north Pakistan and adjoining Jammu & Kashmir, isolated snowfall activity is likely over Jammu & Kashmir during next 24 hours. The precipitation activity is likely to increase and extend to Himachal Pradesh and Uttaranchal on 6th. Isolated rain/thundershower is also likely over Punjab, Haryana and northwest Uttar Pradesh on 6th.
- Lowest night temperature in the plains of the country was -2.2°C recorded at Adampur in Punjab.

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

- Fog conditions and fall in night temperatures are likely over 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