

GUAR DAILY

January 17th, 2007

SPOT MARKETS:

The guar physical markets witnessed steady to slightly weak sentiment during Tuesday's trade. The prices of both the guar seed as well as guar gum in the major physical market were quoted steady to lower amidst weak physical demand and lower arrivals. Stockists and farmers are unwilling to release their stock in lower price level due to which arrivals declined at the major physical market from 20000 - 18000 bags a day in all over India. They are waiting for the higher prices in the futures market to earn more profit. Miller's activity remains subdued in the market. Moreover, the marginal weakness at the futures market has also affected the guar prices at the physical markets.

FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with slightly bullish tone. The most active February contract opened weak at Rs. 1961 against the previous close of Rs. 1966 and traded downwards on increased selling pressure and tested a low of Rs. 1940. However, futures recovered marginally on buying interest at lower level and finally settled in the negative side. February contract moved in the range of Rs. 1974-1940 per qtl while the January contract moved in the range of Rs. 1935-1908 per qtl. Guar gum January contact traded in the range of Rs. 4845-4750, while the February contract fluctuated in the range of 4915-4825 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 releasing their stock at higher 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 sentiment, reflects buyers recovered the market from lower levels. Stochastic is in oversold region and moving slightly upwards. MACD is in negative region and moving downwards. Closing price is below 9 days and the 18 days EMA. Market is expected to trade bullish following a steady to firm opening.

OUTLOOK:

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

NCDEX Guar Seed February Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1938	1945	1961	1997	2005
Guar Gum Feb.	4809	4840	4896	4954	4984

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- February Guar Seed above 1955 with target of 1980 then 1992 Stop loss near 1942.

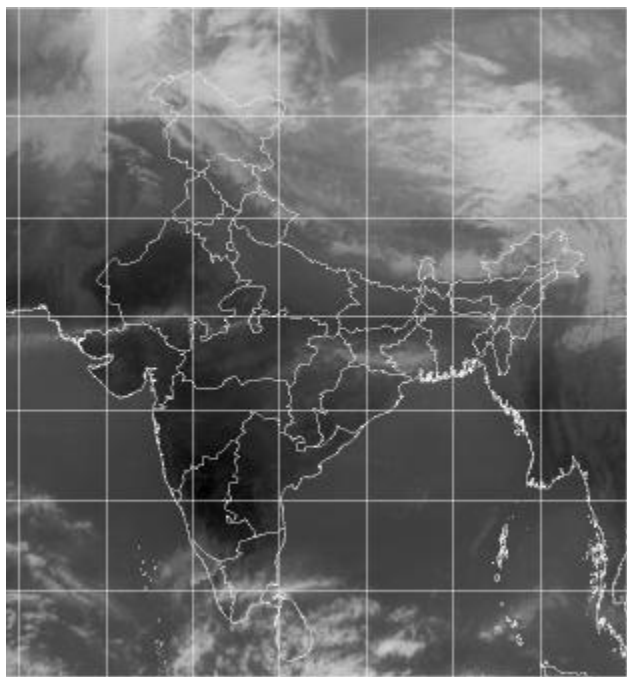
BUY NCDEX- February Guar Gum above 4870 with target of 4920 then 4945 Stop loss near 4845.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	16.01.07	15.01.07	Change
Guar Seed	Bikaner	1825	1825	-
	Jodhpur	1940	1940	-
	Nokha	1800	1809	-9
	Sriganganagar	1760	1770	-10
Guar Gum	Jodhpur	4992	4992	-

SATELLITE PICTURE OF MONSOON PROGRESS (16.01.07)



Monsoon Outlook (16.01.07)

- A fresh western disturbance is likely to affect western Himalayan region from 18th evening onwards. It is likely to cause isolated to scattered snowfall over Jammu & Kashmir and Himachal Pradesh from 18th evening for subsequent two days.
- Cold wave conditions continued to prevail over some parts of Punjab, north Haryana, East Uttar Pradesh and adjoining Bihar. Ground frost conditions are also prevailing over some parts of Punjab and north Haryana. The prevailing cold wave and ground frost conditions are likely to continue for next 1-2 days and abate thereafter due to gradual increase in night temperature.
- Lowest night temperature in the plains of the country was -0.2°C recorded at Adampur in Punjab.

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

- Isolated to scattered snowfall likely over western Himalayan Region on 19th and decrease thereafter.

Low Temperature Warning (For next 48 hours)

- Ground frost conditions are likely over some parts of Punjab and north Haryana during next 24 hours.

Source: GOI (IMD)

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