

## GUAR DAILY

January 9th, 2007

### SPOT MARKETS:

Spot market prices of guar seed recovered in the majority of markets on slight demand. However, the prices remained steady at Jodhpur market on steady demand supply scenario. Arrivals increased slightly from 20,000 bags to 22,000 bags in all over India as the farmers are releasing their stock at higher price level. Stockists and Miller remain active in the market. The production this year is higher than the last year, besides that prices are going up instead of falling in a short span of time and the arrivals are cornered by the speculators. Pakistan is quoting 30% lower prices as compare to India, which diverts global buyers to Pakistan. However, in near future India will have the good opportunity of export because the stock position of Pakistan is decreasing gradually.

### FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active February contract opened firm at Rs. 2023 against the previous close of Rs. 2022 and tested a high of Rs. 2038. However, selling pressure at higher level pushed the futures to trade downwards so far the trading session. February contract moved in the range of Rs. 2038-2009 per qtl while the January contract moved in the range of Rs. 1998-1973 per qtl. Guar gum January contact traded in the range of Rs. 5015-4875, while the February contract fluctuated in the range of 5103-5030 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 sideways movement. Stochastic is in normal region and moving slightly upwards. MACD is in negative region and moving upwards. Closing price is above the 9 days and the 18 days EMA. Market is expected to trade upward following a steady to weak opening.

### OUTLOOK:

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

### NCDEX Guar Seed February Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1996	2006	2022	2050	2060
Guar Gum Feb.	4998	5012	5065	5117	5150

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- February Guar Seed above 2015 with target of 2040 then 2052 **Stop loss** near 2000.

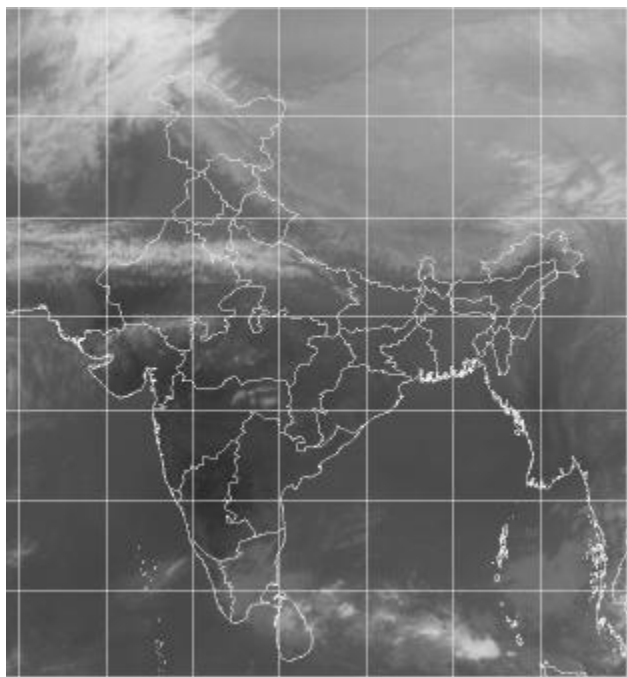
**BUY** NCDEX- February Guar Gum above 5035 with target of 5085 then 5110 **Stop loss** near 5010.

**Do not carry forward the position until the next day.**

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	08.01.07	06.01.07	Change
Guar Seed	Bikaner	1860	1840	+20
	Jodhpur	2000	2000	-
	Nokha	1830	1804	+26
	Sriganganagar	1805	1790	+15
Guar Gum	Jodhpur	5148	5148	-

## SATELLITE PICTURE OF MONSOON PROGRESS (08.01.07)



### Monsoon Outlook (08.01.07)

- Cold wave conditions continue to prevail at most parts of Punjab and some parts of Jammu division of Jammu & Kashmir, Haryana, Rajasthan and Uttar Pradesh. Night temperatures were 2-3 °C below normal over remaining parts of Indo - Gangetic plains.
- Ground frost was experienced at some places over Punjab, north Rajasthan, Haryana and adjoining West Uttar Pradesh during past 24 hours.
- Current meteorological analysis suggests a gradual increase in the night temperatures by 2-3° C over plains of Northwest India during next 48 hours. Prevailing cold wave and ground frost conditions are likely to continue for another 24 hours and abate thereafter.
- A fresh western disturbance likely to affect western Himalayan region from tomorrow.
- 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):

- No significant change in temperature scenario over northwest India.

**Source:** GOI (IMD)

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