

GUAR DAILY

January 24th, 2007

SPOT MARKETS:

The guar physical markets witnessed mostly steady sentiment during Tuesday's trade. The prices of both the guar seed as well as guar gum were quoted steady today as against Monday. The arrivals at the major physical markets are reported to be steady at around 16000-18000 bags per in all over India. Stockists' activity remains silent in the market as they are in wait and watch state and looking forward for higher prices in futures market. Slight demand from miller observed during the Tuesday's trade. Lower guar seed prices mainly motivated them to remain active in the market. Moreover, marginal weakness in futures market also affected the spot market sentiment.

FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active March contract opened at its previous close of Rs. 2018. However, futures traded downwards on increased selling pressure and tested a low of Rs. 2004 and finally settled in the negative side. March contract moved in the range of Rs. 2022-2004 per qtl while the February contract moved in the range of Rs. 1990-1972 per qtl. Guar gum February contract traded in the range of Rs. 4935-4912, while the March contract fluctuated in the range of 5035-4994 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 weak tone, reflects sellers dominated the market. Stochastic is in normal region and moving upwards. 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 downwards following a firm opening.

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1984	1990	2013	2032	2037
Guar Gum Mar.	4930	4955	5005	5050	5073

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- March Guar Seed below 2022 with target of 2000 then 1988 Stop loss near 2035.

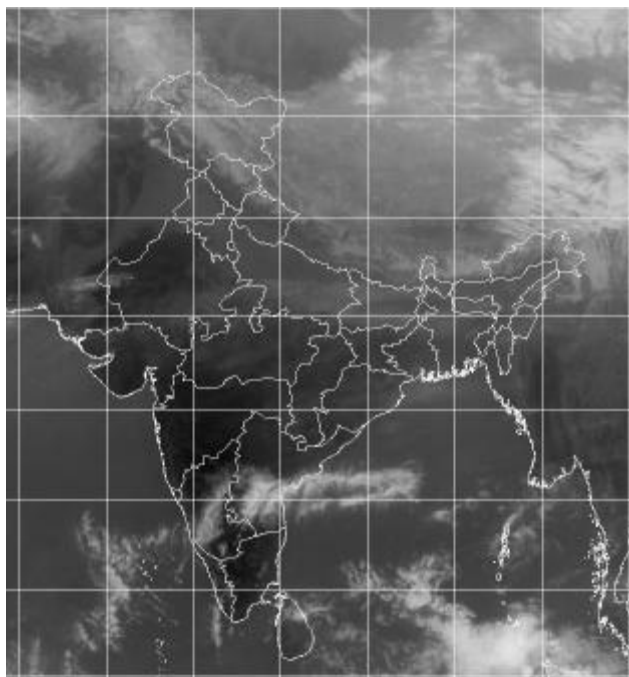
SELL NCDEX- March Guar Gum below 5025 with target of 4975 then 4950 Stop loss near 5050.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	23.01.07	22.01.07	Change
Guar Seed	Bikaner	1860	1860	-
	Jodhpur	1975	2000	-25
	Nokha	1810	1810	-
	Sriganganagar	1765	1765	-
Guar Gum	Jodhpur	5018	5018	-

SATELLITE PICTURE OF MONSOON PROGRESS (23.01.07)



Monsoon Outlook (23.01.07)

- A fresh western disturbance is likely to cause snowfall activity over western Himalayan region from 24th evening onwards.
- Cold wave conditions prevailed over some parts of Punjab, northeast Rajasthan, East Uttar Pradesh and adjoining Bihar. The night temperatures are below normal by 2-3 °C over remaining parts of Indo-Gangetic plains. The numerical weather prediction models suggest an increase in night temperature by 3-4 °C over plains of northwest India during next 4-5 days. Consequently, the prevailing cold wave conditions are likely to abate by 25th
- Lowest night temperature in the plains of the country was -0.7 °C recorded at Amritsar in Punjab.

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

- Isolated snowfall is likely over Western Himalayan region.

Source: GOI (IMD)

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