

GUAR DAILY

January 27th, 2007

SPOT MARKETS:

Guar spot market observed weak sentiments during the Thursday's where spot prices of guar seed and guar gum declined in the majority of markets amidst weak demand and steady arrivals. Arrivals stood steady at 1100 bags in Bikaner, 400 bags in Nokha. Overall arrivals remain steady at 16000-18000 bags a day in all over India. Stockist's activity remains silent in the market while slight demand from millers observed during the Thursday's trade on lower guar seed prices. Moreover, the ban of futures trading on tur and urad coupled with the weakness in the guar futures market, affected the trading activities in the spot market.

FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active March contract opened firm at Rs. 1971 against the previous close of Rs. 1970 and traded upwards thereafter and tested a high of Rs. 1977. However, selling pressure at higher level pushed the futures to trade downwards and settled in the negative side. March contract moved in the range of Rs. 1977-1956 per qtl while the February contract moved in the range of Rs. 1945-1925 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 at higher levels. Stochastic is in normal region and moving downwards following a bearish crossover. MACD is in negative region and moving downwards. Closing price is far below the 9 days and the 18 days EMA.

OUTLOOK:

Guar seed futures are expected to trade downwards following a weak opening with possibility of early upwards movement.

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1940	1950	1966	1990	2000
Guar Gum Mar.	4800	4830	4880	4940	4965

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- March Guar Seed below 1980 with target of 1960 then 1950 Stop loss near 1990.

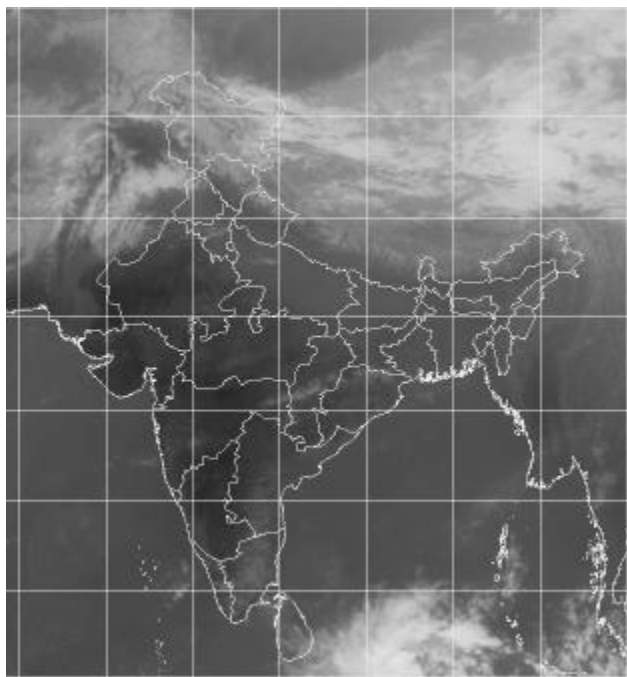
SELL NCDEX- March Guar Gum below 4910 with target of 4860 then 4835 Stop loss near 4940.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	25.01.07	24.01.07	Change
Guar Seed	Bikaner	1840	1850	-10
	Jodhpur	1940	1970	-30
	Nokha	1790	1800	-10
	Sriganganagar	1745	1750	-5
Guar Gum	Jodhpur	4888	4940	-52

SATELLITE PICTURE OF MONSOON PROGRESS (25.01.07)



Monsoon Outlook (25.01.07)

- Night temperatures have increased by 2-4 °C over plains of northwest India and by 1-2 °C. over Gangetic plains and adjoining east & central India. The current Meteorological analysis suggests that night temperatures are likely to increase further by 2-3 °C Indo-Gangetic plains and adjoining central India during next 2 days.
- Under the influence of the feeble western disturbance, isolated rainfall/snow activity is likely over Jammu & Kashmir and Himachal Pradesh next 48 hours.
- Lowest night temperature in the plains of the country was 1.0 °C recorded at Amritsar in Punjab.

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

- A fresh western disturbance as an upper air system is likely to affect Western Himalayan region.

Source: GOI (IMD)

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