

GUAR DAILY

January 16th, 2007

SPOT MARKETS:

The guar spot markets witnessed steady to weak sentiment during Monday's trade. The arrivals at the major spot markets are declined from 22000 bags to 20000 bags a day in all over India as the Stockists as well as farmers are unwilling to release their stock at lower prices. They are waiting and looking forward for the higher prices in the futures market to earn handsome profit. Miller's activity remains subdued in the market. Moreover, the marginal weakness at the futures market has also underpinned the downtrend in guar prices at the spot markets.

FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active February contract opened weak at Rs. 1980 against the previous close of Rs. 1982 and traded upwards on increased buying interest and tested a high of Rs. 1990. However, selling pressure at higher level pushed the futures to trade downwards and finally settled in the negative side. February contract moved in the range of Rs. 1990-1962 per qtl while the January contract moved in the range of Rs. 1958-1931 per qtl. Guar gum January contract traded in the range of Rs. 4943-4823, while the February contract fluctuated in the range of 4947-4880 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 bearish sentiment, reflects selling interest mainly dominated the market. Stochastic is in oversold region and moving downwards. MACD is in negative region and moving downwards. Closing price is below 9 days and the 18 days EMA. Market is expected to trade bearish following a weak opening.

OUTLOOK:

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

NCDEX Guar Seed February Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1945	1940	1964	1983	1990
Guar Gum Feb.	4846	4819	4890	4935	4950

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- February Guar Seed below 1970 with target of 1955 then 1943 Stop loss near 1985.

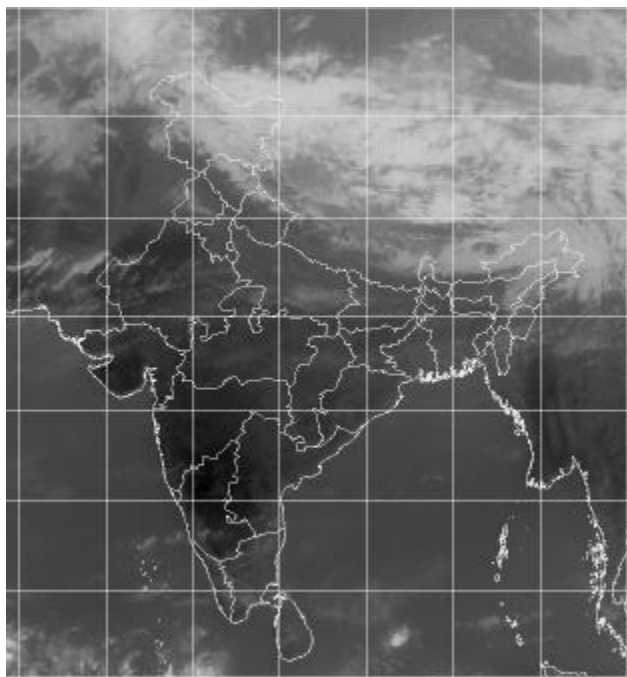
SELL NCDEX- February Guar Gum below 4915 with target of 4865 then 4840 Stop loss near 4940.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	15.01.07	13.01.07	Change
Guar Seed	Bikaner	1825	1835	-10
	Jodhpur	1940	1950	-10
	Nokha	1809	1820	-11
	Sriganganagar	1770	1785	-15
Guar Gum	Jodhpur	4992	5018	-26

SATELLITE PICTURE OF MONSOON PROGRESS (15.01.07)



Monsoon Outlook (15.01.07)

- 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 during next 1-2 days and abate thereafter due to gradual rise in night temperature.
- Lowest night temperature in the plains of the country was -0.6°C recorded at Adampur in Punjab.

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

- A fresh western disturbance is likely to cause isolated to scattered snowfall over western Himalayan region.

Low Temperature Warning (For next 48 hours)

- Ground frost conditions are likely over some parts of Punjab and north Haryana.

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