

GUAR DAILY

January 12th, 2007

SPOT MARKETS:

Spot market prices of guar seed recovered in the majority of market on slight demand while the spot prices of guar seed and guar gum in Jodhpur remain steady on subdued demand. The arrivals at the major physical markets are reported to be steady at around 20000 bags in all over India. Higher prices in the futures market motivated the Miller's to remain active in the market. Stockist's activity remains silent in the market. They are waiting for the prices to come down in the market. Stockists are optimistic about firmness in guar prices as India's export scenario is likely to improve in the near future.

FUTURES MARKETS:

NCDEX Guar seed futures observed firm sentiment with slightly bullish tone. The most active February contract opened firm at Rs. 2022 against the previous close of Rs. 2018. Selling pressure at higher level pushed the futures to trade downwards and tested a low of Rs. 2000. However, futures recover on improved buying interest at lower level and finally settled in the positive territory. February contract moved in the range of Rs. 2033-2000 per qtl while the January contract moved in the range of Rs. 1998-1962 per qtl. Guar gum January contact traded in the range of Rs. 4965-4895, while the February contract fluctuated in the range of 5055-4990 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 bullish movement, reflects buyers dominated the market at lower levels. Stochastic is in normal region and moving downwards. The % K line has made bearish crossover with % D line. MACD is in negative region and moving upwards. Closing price is above the 9 days and the 18 days EMA.

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	2024	2059	2070
Guar Gum Feb.	4966	5000	5045	5106	5150

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- February Guar Seed above 2020 with target of 2045 then 2057 Stop loss near 2005.

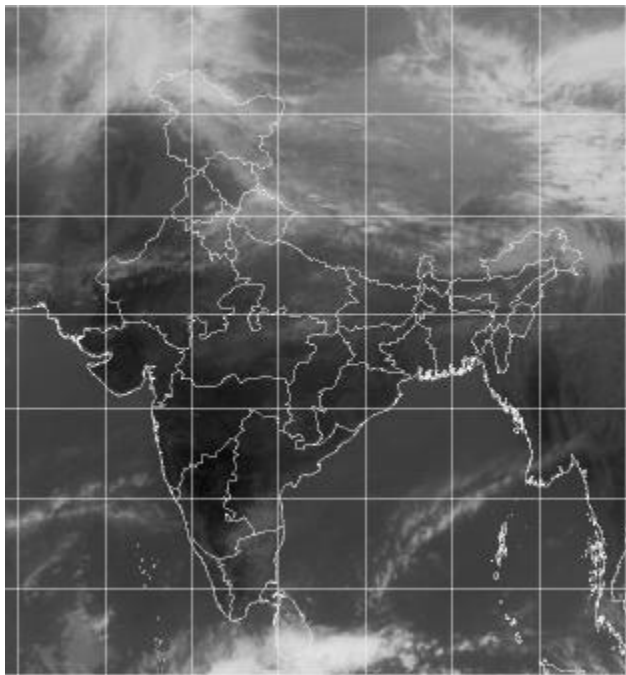
BUY NCDEX- February Guar Gum below 5030 with target of 5080 then 5105 Stop loss near 5005.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.01.07	10.01.07	Change
Guar Seed	Bikaner	1870	1860	-10
	Jodhpur	2000	2000	-
	Nokha	1861	1840	+21
	Sriganganagar	1820	1805	+15
Guar Gum	Jodhpur	5096	5096	-

SATELLITE PICTURE OF MONSOON PROGRESS (11.01.07)



Monsoon Outlook (11.01.07)

- Cold wave conditions have abated from Uttar Pradesh and Bihar. However, they continued to prevail over many parts of Punjab, some parts of Jammu division of Jammu & Kashmir, north Haryana and northeast Rajasthan.
- Numerical model predictions suggest prevalence of northwesterly winds and their strengthening over Indo-Gangetic plains during next 3-4 days. Consequently the cold wave conditions over the plains of northwest India are likely to continue and may also redevelop at some parts of Uttar Pradesh and Bihar. Ground frost conditions over plains of northwest India are also likely to continue.
- The current meteorological analysis suggests that dense fog conditions are not likely over the Indo-Gangetic plains during next 3- 4 days. However shallow fog may be experienced in the morning hours.
- Lowest night temperature in the plains of the country was -1.0°C recorded at Adampur in Punjab.

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

- Cold wave condition likely to continue over Indo-Gangetic plains

Low Temperature Warning (For next 48 hours)

- Ground frost is likely over some parts of plains of northwest India.

Source: GOI (IMD)

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