

GUAR DAILY

January 15th, 2007

SPOT MARKETS:

Spot market prices of guar seed eased slightly in the majority of market amidst weak physical demand and steady arrival, while spot price of guar seed and guar gum remain steady in Jodhpur on subdued demand. The arrivals at the major physical markets remain steady at 22000 bags in all over India. Lower guar seed prices motivated the miller to remain active in the market. Stockists remain silent in the market and they are waiting for the higher prices in the futures market, as they want to release their stock at higher price level. Traders are expecting that the prices will go up in coming days as they are hoping that the domestic demand as well as export demand will improve in near future.

FUTURES MARKETS:

NCDEX Guar seed futures observed lacklustre trade with slightly bullish tone. The most active February contract opened firm at Rs. 1981 against the previous close of Rs. 1974 and traded downward thereafter on increased selling pressure and tested a low of Rs. 1962. However, futures recovered marginally on increased buying interest at lower level and finally settled in the positive side. February contract moved in the range of Rs. 1988-1962 per qtl while the January contract moved in the range of Rs. 1957-1935 per qtl. Guar gum January contract traded in the range of Rs. 4866-4830, while the February contract fluctuated in the range of 4948-4880 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 some firm movement, reflects buyers dominated the market at lower price levels. Stochastic is in normal region and moving downwards. MACD is in negative region and moving downwards. Closing price is below 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.	1951	1961	1982	2011	2022
Guar Gum Feb.	4850	4880	4930	5000	5019

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- February Guar Seed above 1978 with target of 2003 then 2015 Stop loss near 1960.

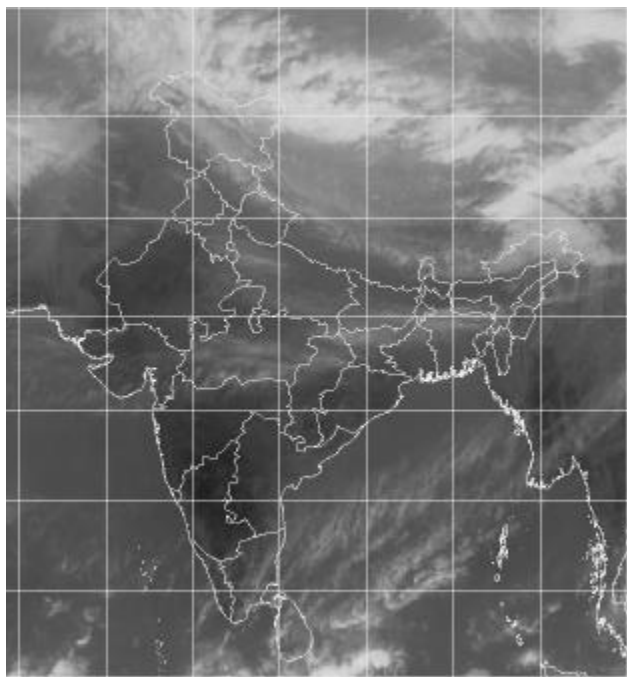
BUY NCDEX- February Guar Gum above 4900 with target of 4950 then 4975 Stop loss near 4875.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	13.01.07	12.01.07	Change
Guar Seed	Bikaner	1835	1845	-10
	Jodhpur	1950	1950	-
	Nokha	1820	1830	-10
	Sriganganagar	1785	1790	-5
Guar Gum	Jodhpur	5018	5018	-

SATELLITE PICTURE OF MONSOON PROGRESS (13.01.07)



Monsoon Outlook (13.01.07)

- Cold wave/severe cold wave conditions are prevailing over some parts of north Rajasthan. Cold wave conditions are also prevailing over some parts of Punjab, north Haryana and East Uttar Pradesh. Ground frost conditions also continued to prevail over some parts of Punjab, north Haryana and north Rajasthan. The ongoing cold wave and ground frost conditions are likely to continue during next 2-3 days.
- Lowest night temperature in the plains of the country was -1.6°C recorded at Adampur in Punjab.

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

- Cold wave conditions are likely to continue over some parts of plains of northwest India.

Low Temperature Warning (For next 48 hours)

- Ground frost is likely over some parts of Punjab, north Haryana and north Rajasthan.

Source: GOI (IMD)

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