

GUAR DAILY

January 23rd, 2007

SPOT MARKETS:

The guar spot markets witnessed a firm sentiment during Monday's trade. The prices of the guar seed were quoted steady to slightly higher, while that of guar gum remained unchanged during the Monday's trade. Arrivals stood steady at 1000 bags in Bikaner, 300 bags in Nokha during today's trade and consequently the prices of both guar seed and guar gum maintained firmness in the market. Overall arrivals remain steady at 15000-18000 bags a day in all over India. Stockists' activity remains silent in the market whereas slight demand from miller observed during the Monday's trade. The firmness in futures market has also supported the firm sentiment in guar prices at the spot markets.

FUTURES MARKETS:

NCDEX Guar seed futures observed lacklustre trade with slightly bearish tone. The most active March contract opened firm at Rs. 2017 against the previous close of Rs. 2013 and traded downwards thereafter and tested a low of Rs. 2007. However, futures recovered on buying interest at lower level and finally settled in the positive side. March contract moved in the range of Rs. 2029-2007 per qtl while the February contract moved in the range of Rs. 1996-1975 per qtl. Guar gum February contract traded in the range of Rs. 4965-4913, while the March contract fluctuated in the range of 5049-5004 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 bearish movement, reflects sellers dominated the market. Stochastic is in normal region and moving upwards. MACD is in negative region and moving downwards. Closing price is in-between the 9 days and the 18 days EMA.

OUTLOOK:

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

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1985	1990	2015	2032	2040
Guar Gum Mar.	4940	4960	5013	5050	5065

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- March Guar Seed below 2022 with target of 2000 then 1990 Stop loss near 2035.

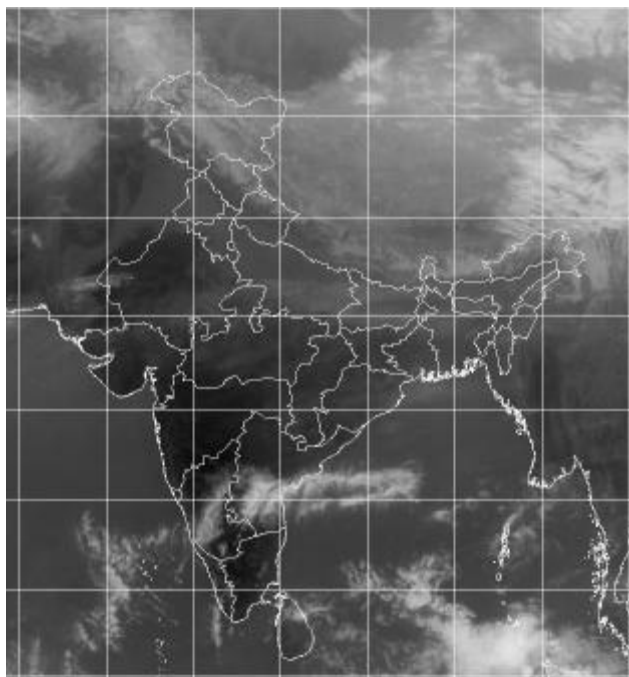
SELL NCDEX- March Guar Gum below 5030 with target of 4980 then 4955 Stop loss near 5055.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	22.01.07	20.01.07	Change
Guar Seed	Bikaner	1860	1840	+20
	Jodhpur	2000	2000	-
	Nokha	1810	1800	+10
	Sriganganagar	1765	1765	-
Guar Gum	Jodhpur	5018	5018	-

SATELLITE PICTURE OF MONSOON PROGRESS (22.01.07)



Monsoon Outlook (22.01.07)

- Cold wave conditions prevailed over isolated pockets of Jammu division of Jammu & Kashmir, Punjab, northeast Rajasthan and East Uttar Pradesh. The night temperatures are below normal by 2-3 °C over remaining parts of Indo-Gangetic plains. The current scenario is likely to continue during next 1-2 days and rise in minimum temperature likely thereafter.
- A fresh western disturbance is likely to cause snowfall activity over western Himalayan region from 25th onwards. Isolated light rain/thundershower is also likely over the adjoining northern plains.
- 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):

- Scattered snowfall is likely over Western Himalayan region. Isolated rain/thundershower is also likely over the adjoining northern plains.

Source: GOI (IMD)

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