

GUAR DAILY

January 13th, 2007

SPOT MARKETS:

Spot market prices of guar seed declined in the majority of market amidst weak physical demand and normal arrival. The arrivals at the major physical markets are increased slightly from 20000 to 22000 bags in all over India as the Stockists are slightly releasing their stock in the physical market at higher prices as well as they corners the fresh arrivals to intent byaz badla in the futures market. Miller's activity remains steady in the market. Further, traders are expecting that the prices of both the guar seed as well guar gum would witness some upward movement in the coming days due to increase demand from domestic as well as export sectors amidst depleting stocks.

FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active February contract opened at previous close of Rs. 2028. Futures traded downwards thereafter on increased selling pressure and tested a low of Rs. 1968 and finally settled in the negative territory. February contract moved in the range of Rs. 2030-1968 per qtl while the January contract moved in the range of Rs. 1999-1939 per qtl. Guar gum January contact traded in the range of Rs. 4965-4820, while the February contract fluctuated in the range of 5065-4900 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 movement, reflects sellers dominated the market. Stochastic is in normal region and moving sharply downwards following a bearish crossover. 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 downwards following a weak opening.

NCDEX Guar Seed February Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1946	1956	1974	2000	2012
Guar Gum Feb.	4823	4860	4926	4965	5000

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- February Guar Seed below 1986 with target of 1961 then 1950 Stop loss near 2001.

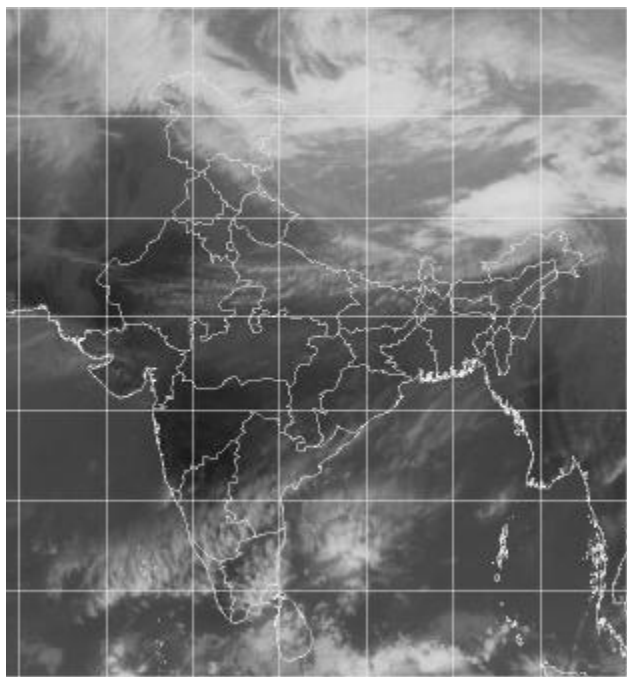
SELL NCDEX- February Guar Gum below 4950 with target of 4900 then 4875 Stop loss near 4975.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.01.07	11.01.07	Change
Guar Seed	Bikaner	1845	1870	-25
	Jodhpur	1950	2000	-50
	Nokha	1830	1861	-31
	Sriganganagar	1790	1820	-30
Guar Gum	Jodhpur	5018	5096	-78

SATELLITE PICTURE OF MONSOON PROGRESS (12.01.07)



Monsoon Outlook (12.01.07)

- Cold wave/severe cold wave conditions are prevailing over many parts of Punjab and Haryana. Cold wave conditions are also prevailing at some parts of Rajasthan and redeveloped over some parts of East Uttar Pradesh. Ground frost conditions also continued to prevail over some parts of Punjab, 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 -1.4°C recorded at Adampur in Punjab.

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

- A fresh western disturbance is likely to cause light snowfall activity over western Himalayan region.

Low Temperature Warning (For next 48 hours)

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

Source: GOI (IMD)

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