

## GUAR DAILY

February 3<sup>rd</sup>, 2007

### SPOT MARKETS:

The guar spot markets witnessed firm sentiment during Friday's trade, where the spot prices of guar seed and guar gum quoted higher in the majority of markets. Moreover, the firmness in the futures market, also affected the spot market sentiment. The arrivals at the major physical markets are reported to be steady at around 15000-16000 bags. Arrivals declined from 1200 bags to 800 bags in Bikaner, while remain steady at 400 bags in Nokha, as the farmers are releasing their stock, which observed in the market. Millers remain active during the today's trade, while stockists and exporters remain silent in the market, as they have ample of stock with them.

### FUTURES MARKETS:

The guar seed futures at the NCDEX witnessed bullish trade following a weak opening. Increased buying interest has supported the market and settled up. The Guar Seed February contract settled up by 1.50% at Rs.1967 per qtl and hovered the range of Rs. 1937-1973 per qtl, while the most active March contract moved in the range of Rs. 1968-2014 per qtl. The guar gum March futures at the NCDEX settled up by 1.39% at Rs. 4975 per qtl. following a weak opening. Increased buying interest at lower levels supported the futures. The February contract traded in the range of Rs. 4818-4910, while the March contract fluctuated in the range of 4900-4990.

### 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

### 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 firm market sentiment. Stochastic is in normal region and moving upwards. %K line to cross %D line from below, indicating firm tone for medium term. MACD is in negative region and moving upwards. Closing price is above 9 days and the 18 days EMA. Market is expected to trade bullish following a firm opening.

### OUTLOOK:

Guar seed futures are expected to trade upwards following a firm opening.

### NCDEX Guar Seed March Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1983	1991	2005	2034	2042
Guar Gum Mar.	4916	4936	4975	5040	5062

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- March Guar Seed above 2000 with target of 2025 then 2034 Stop loss near 1988.

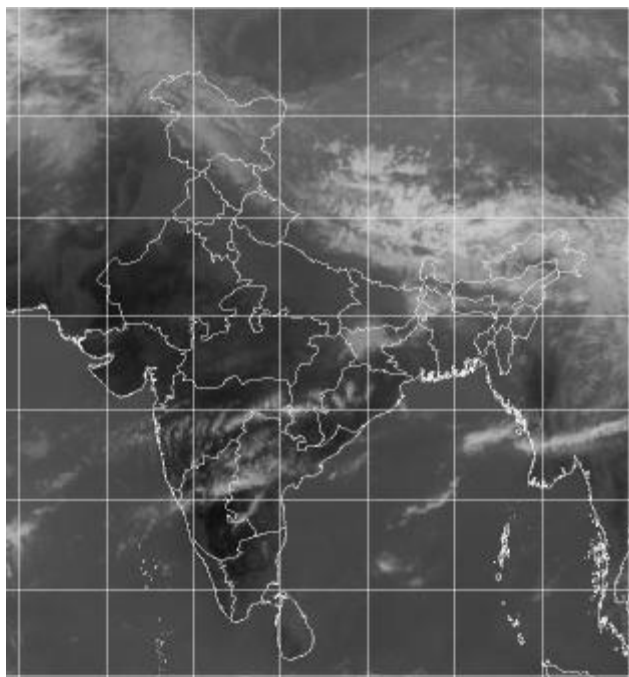
**BUY** NCDEX- March Guar Gum above 4960 with target of 5110 then 5135 Stop loss near 4935.

Do not carry forward the position until the next day.

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	02.02.07	01.02.07	Change
Guar Seed	Bikaner	1870	1830	+40
	Jodhpur	2000	1950	+50
	Nokha	1840	1750	+90
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4990	4890	+100

## SATELLITE PICTURE OF MONSOON PROGRESS (31.01.07)



### Monsoon Outlook (31.01.07)

- During past 24 hours, both day and night temperatures have fallen by 2-4 °C over plains of northwest India. However, they still continue to remain above normal by 2-3°C over the north India and by 4-6°C over west, central & east India.
- The current meteorological analysis suggests further fall in both day and night temperatures by 2-3 °C over Indo-Gangetic plains and central India during next 48 hours.
- Lowest night temperature in the plains of the country was 5.6 °C recorded at Adampur in Punjab.

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

- A fresh western disturbance is likely to affect Western Himalayan region.
- Rise in night temperature over the plains of the northwest India.

**Source:** GOI (IMD)

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