

GUAR DAILY

February 9th, 2007

SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Thursday's trade. Sluggish demand coupled with steady arrivals further depressed the spot prices of guar seed and guar gum in the majority of markets. Overall arrivals stood steady at 15-16 thousand bags a day. Arrivals stood steady at 800 bags in Bikaner and 150 bags in Nokha. Arrivals are expected to improve up to March, as the export demand will pick up. At present, export enquiries are extremely limited due higher domestic prices. Buying activity from processors and stockists remain silent in the market. Moreover, the speculative selling pressure at the futures market and consequent downfall in futures prices has dampened the physical market sentiments.

FUTURES MARKETS:

NCDEX Guar seed futures observed weak sentiment with bearish undertone. The most active March contract opened firm at Rs. 1990, up by Rs. 2 against the previous close of Rs. 1988 and traded upwards initially and tested a high of Rs. 1992. However, selling pressure at current level pushed the futures to trade downwards and settled in the negative side. March contract moved in the range of Rs. 1992-1966 per qtl while the February contract moved in the range of Rs. 1953-1931 per qtl. Guar gum February contract fluctuated in the range of Rs. 4864-4811/qtl, while March contract moved in the range of Rs. 4947-4870/qtl.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Weak demand from processors and stockists
3. Farmers releasing their stock as per market demand

Bullish:

4. Fresh western disturbance affecting arrivals
5. 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 weak market sentiment. Stochastic is in normal region and moving downwards MACD is in negative region and moving downwards. Closing price is in-between 9 days and the 18 days EMA. Market is expected to trade bearish following a steady to weak opening.

OUTLOOK:

Guar seed futures are expected to trade downwards following a steady to slightly weak opening with possibility of late upwards movement.

NCDEX Guar Seed March Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Mar.	1930	1935	1966	2001	2013
Guar Gum Mar.	4790	4800	4870	4953	4983

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- March Guar Seed below 1975 with target of 1953 then 1942 Stop loss near 1990.

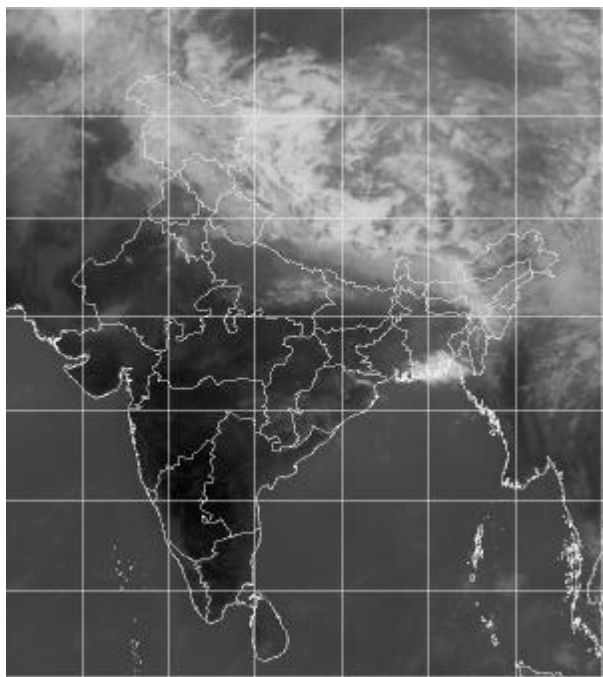
SELL NCDEX- March Guar Gum below 4904 with target of 4854 then 4830 Stop loss near 4929.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	08.02.07	07.02.07	Change
Guar Seed	Bikaner	1825	1835	-10
	Jodhpur	1930	1950	-20
	Nokha	1810	1820	-10
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4914	4940	-26

SATELLITE PICTURE OF MONSOON PROGRESS (08.02.07)



Monsoon Outlook (08.02.07)

- Under the influence of an approaching western disturbance, isolated precipitation activity is likely to commence over Western Himalayan region and adjoining plains from 9th. The activity is likely to increase and extend into remaining parts of northwest India from 10th onwards.
- Night temperatures have fallen by 2-3 °C over plains of northwest India during past 24 hours. The current meteorological analysis suggests that night temperatures are likely to exhibit an increasing trend over the plains during the next 2-3 days.
- Lowest night temperature in the plains of the country was 6.8 °C recorded at Sarsawa in West Uttar Pradesh.

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

- Scattered precipitation is likely over Western Himalayan region and adjoining plains of northwest India under the influence of a fresh western disturbance.
- Scattered precipitation is likely to continue over northwest India and extend into east India.

Source: IMD (GOI)

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