

GUAR DAILY

March 3rd, 2007

SPOT MARKETS:

Guar spot market witnessed weak sentiments during the Friday's trade. The spot prices of both guar seed and guar gum at Jodhpur markets quoted on lower side amidst lower demand from miller and exporters, while the markets remained closed in both Bikaner and Nokha on the eve of "Holi" festival. As no adverse weather is forecast for coming week, arrivals and trade activity are likely to gain momentum after "Holi" festival.

FUTURES MARKETS:

NCDEX Guar seed futures observed narrow range bound trade with bearish undertone. The most active April contract opened weak by Rs. 4 at Rs. 1876 against the previous close of Rs. 1880 and traded upwards thereafter and tested a high of Rs. 1885. However, selling pressure at current level pushed the futures to trade downwards and settled in the negative side. April contract moved in the range of Rs. 1885-1863 per qtl, while the March contract moved in the range of Rs. 1850-1828 per qtl. Guar gum April contract fluctuated in the range of Rs. 4600-4562/qtl, while March contract moved in the range of Rs. 4520-4481/qtl.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Higher stock level in the market
3. Stockists releasing their stock
4. Exclusion of VAT on guar in Rajasthan

Bullish:

5. Expectation of higher export order in near future
6. Some demand from millers & exporters

WEATHER IMPACT:

Guar harvesting is almost completed in major guar producing belts, and therefore, weather is not a concern at the moment.

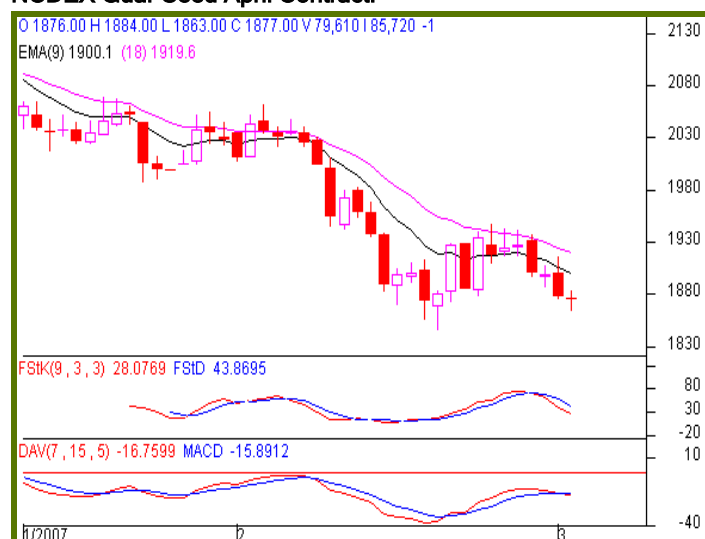
TECHNICALS:

Candlestick chart pattern exhibits firm market sentiments. Long lower shadow indicates that buyers mainly 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 both the 9 days and 18 days EMA.

OUTLOOK:

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

NCDEX Guar Seed April Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Apr.	1850	1860	1877	1905	1920
Guar Gum Apr.	4525	4540	4582	4670	4700

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- April Guar Seed above 1872 with target of 1892 then 1902 Stop loss near 1860.

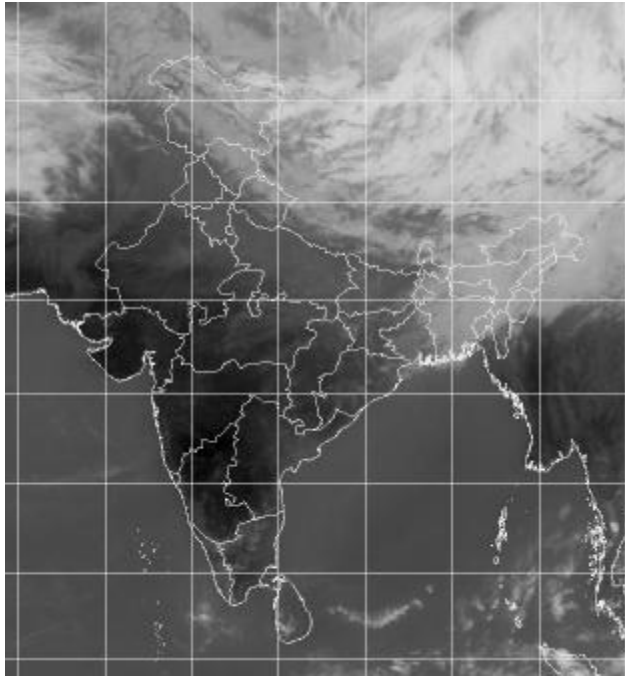
BUY NCDEX- April Guar Gum above 4570 with target of 4620 then 4645 Stop loss near 4540.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	02.03.07	01.03.07	Change
Guar Seed	Bikaner	NA	1740	-
	Jodhpur	1865	1900	-35
	Nokha	NA	1725	-
	Sriganganagar	NA	NA	-
Guar Gum	Jodhpur	4525	4600	-75

SATELLITE PICTURE OF MONSOON PROGRESS (02.03.07)



Monsoon Outlook (02.03.07)

- The western disturbance has moved away eastwards. Consequently mainly dry weather will prevail over plains of northwest India, central India and most parts of east India during next 4-5 days.
- Jammu & Kashmir and Himachal Pradesh will experience isolated to scattered rain/snow on 3rd & 4th.
- Scattered to fairly widespread rain/thundershowers is likely over northeastern States and West Bengal & Sikkim during next 24 hours and mainly dry weather afterwards.
- Night temperatures are likely to fall further by 2-3 °C over Indo-Gangetic plains and adjoining central India during next 48 hours. Contrarily day temperatures will rise by 3-4 °C during the same period.

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

- Mainly dry weather over most parts of the country.

Source: IMD (GOI)

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