

GUAR DAILY

March 17th, 2007

SPOT MARKETS:

Guar seed prices firmed up across spot markets amidst restricted selling by stockists and good demand from millers. Prices for guar gum in Jodhpur too followed up the suit and surpassed yesterday's price levels by Rs 100 per qtl. As per traders good buying support in spot markets helped rates to stay firm. Total arrivals on Friday stood at previous levels. Around 400 arrived in Bikaner Mandi. Total arrivals in India stood around 5000 bags.

FUTURES MARKETS:

NCDEX Guar seed futures traded firm. The most active April contract opened firm at previous closing levels of Rs. 1948/qtl and settled up at Rs 1965 per qtl. April contract moved in the range of Rs. 1945-1979 per qtl. Guar gum futures at NCDEX traded firm. The most active April contract opened low at Rs.4790, against the previous close of Rs. 4767 and settled at Rs 4810 per qtl. April contract moved in the range of Rs. 4768-4854 per qtl.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Stockists releasing their stock in limited quantity.
3. Exclusion of VAT on guar in Rajasthan

Bullish:

4. Expectation of higher export order in near future
5. Steady to improved demand from millers & exporters
6. Improved overseas demand
7. Lower arrivals in the market

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 firmness in sentiments. Buyers dominated the market. Stochastic is in neutral region and moving upwards. The %K line likely to make bullish crossover with % D line. MACD is in positive region and moving upwards. Closing price is above both the 9 days and 18 days EMA. Market is expected to trade upwards following a steady to firm opening.

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.	1935	1945	1965	2000	2015
Guar Gum Apr.	4740	4770	4810	4880	4915

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- April Guar Seed above 1960 with target of 1985 then 2000 **Stop loss** near 1945.

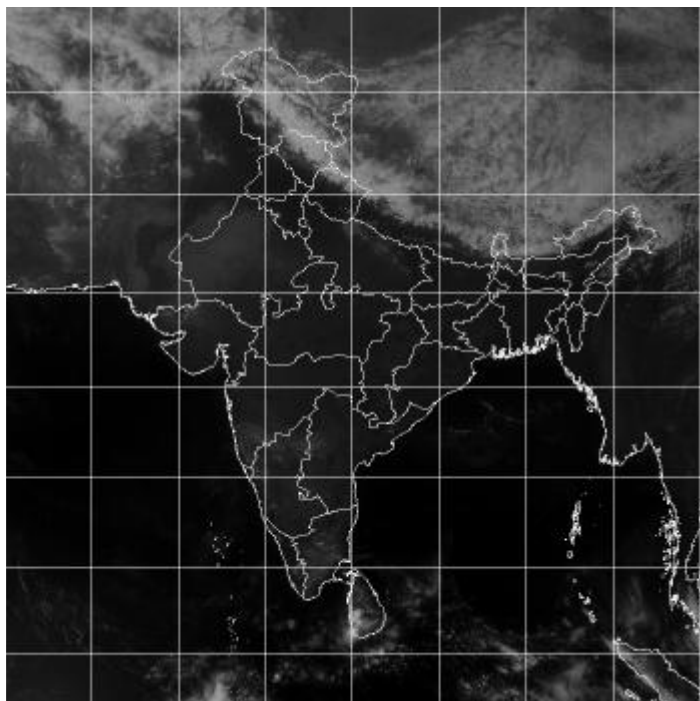
BUY NCDEX- April Guar Gum above 4800 with target of 4850 then 4875 **Stop loss** near 4775.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	16.03.07	15.03.07	Change
Guar Seed	Bikaner	1840	1820	+20
	Jodhpur	1950	1920	+30
	Nokha	1770	1750	+20
	Sriganganagar	-	-	-
Guar Gum	Jodhpur	4800	4700	+100

SATELLITE PICTURE OF MONSOON PROGRESS (16.03.07)



Chief Features (16.03.07)

- ✓ Under the influence of an approaching western disturbance scattered light to moderate precipitation is likely over Western Himalayan region from tomorrow night onwards for the next 4-5 days. Isolated rain/thundershowers are also likely over Punjab, Haryana on 20th & 21st. Cold wave conditions prevailed over some parts of East Uttar Pradesh and Jharkhand where night temperatures were below normal by 5-7 °C. The night temperatures were below normal by 2-4 °C over northwest, central and remaining parts of east India. The day temperatures were below normal by 4-6 °C over most parts of north, east and central India. Due to an approach of a fresh western disturbance and the also likely weakening of the northwesterly winds, both night and day temperatures are likely to register an increasing trend over these regions during next 4-5 days..

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

- ✓ Scattered to fairly widespread precipitation likely over Western Himalayan region. Isolated rain/thundershowers are also likely over the adjoining plains of Punjab and north Haryana.

Source: IMD (GOI)

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