

GUAR DAILY

April 26th, 2007

SPOT MARKETS:

Guar spot market witnessed weak sentiment during the Wednesday's trade. The prices of both guar seed and guar gum declined further at the majority of markets on weak demand from processors and exporters. Appreciation in Rupees Vs Dollar is hurting demand from exporter as it makes export expensive in dollar term. Consequently millers and stockists activity remained silent in the market. On other hand some rumors of normal rains also imparted bearishness in the market. However, IMD predicted 95% normal monsoon with chances of 5% deficiency, which is likely to impart bullishness in the market. Thus, some weakness is expected in prices due to slowed down exporters and millers demand. Moreover, ample stock position in the market also impacted negatively. Overall arrival at the majority of markets reportedly stood steady at 4000-5000 bags. No arrivals reported in Bikaner, while in Nokha markets received the arrivals of 300 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed lacklustre trade with bearish undertone. The most active June contract opened firm at Rs 1940/qrtl, up Rs 3 against the previous close of Rs 1937/qrtl and traded both side in the range of Rs 1887-1967/qrtl and finally settled in the positive side at Rs 1944/qrtl. May contract moved in the range of Rs. 1841-1918/qrtl. Guar gum May contract moved in the range of Rs. 4483-4620/qrtl and the June Contract traded in the range of Rs. 4574-4723/qrtl.

MCX Guar seed futures observed lacklustre trade with slightly bearish undertone. June contract opened firm at Rs 1950.00 against the previous close of Rs 1937.00 and traded both side in the range of Rs 1890.00-1976.00 and finally managed to settle in the positive side. May contract fluctuated in the range of Rs 1846.00-1915.00. Volume declined significantly while open interest remained steady.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Strengthening in Rupees Vs Dollar
3. Lower demand from exporters & millers

Bullish:

4. Expectation of higher export order in near future
5. IMD predicted 5% below average monsoon
6. Increasing overseas demand
7. Lower stock & higher prices in Pakistan
8. Lower arrivals in the market

WEATHER IMPACT:

Conflicting weather reports from IMD and foreign sources. IMD sees 5% lower rains, while others see normal or excess rains.

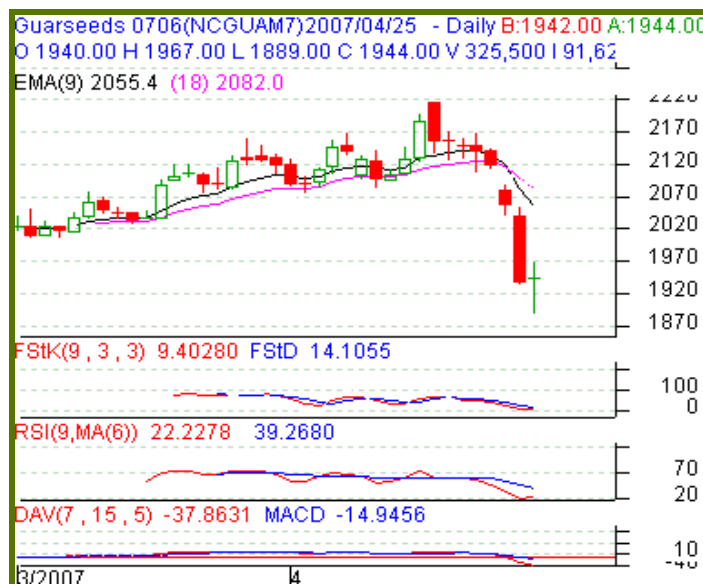
TECHNICALS:

Candlestick forms doji pattern at lower level, which indicates reversal. Long lower shadow reflects good buying at lower level. Stochastic and RSI is moving slightly upward in oversold region while MACD is moving downward in negative region. Closing price is below the short term EMA. The market is expected to trade upwards following steady to slightly firm opening with possibility of slight late downward movement.

OUTLOOK:

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

NCDEX Guar Seed June Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed June.	1918	1932	1944	2017	2038
NCDEX Guar Gum June.	4677	4701	4705	4835	4852
MCX Guar Seed June.	1919	1935	1943	2007	2017

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- June Guar Seed above 1952 with target of 1982 then 1997 Stop loss near 1937.

BUY NCDEX- June Guar Gum above 4735 with target of 4780 then 4805 Stop loss near 4712.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- June Guar Seed above 1950 with target of 1975 then 1990 Stop loss near 1937.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	25.04.07	24.04.07	Change
Guar Seed	Bikaner	1760	1800	-40
	Jodhpur	1870	1890	-20
	Nokha	1740	1800	-60
Guar Gum	Sriganganagar			
	Jodhpur	4670	4750	-80

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