

April 30th, 2007

GUAR DAILY

SPOT MARKETS:

Guar spot market witnessed steady to firm sentiment during the Saturday's trade. The prices of both guar seed and guar gum remained unmoved in Jodhpur markets on subdued trade, while prices improved slightly at the major markets of Bikaner and Nokha on some demand from millers. Consequently arrivals improved in Bikaner and Nokha as stockists are releasing stocks at higher prices. Arrivals in Bikaner reported at 150-200 bags and in Nokha it stood at 300-350 bags. Overall arrivals at the majority of markets increased slightly and noted at 5500 bags. Further, export activity slowed down these days due to weakness in dollar, which imparted bearishness. Moreover, forecast of normal rains lead to offloading of inventories by traders weighing heavily on prices. Thus, no major uptrend is expected in prices in short term until unless export activity improves which only happen when dollar appreciate.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed narrow range bound trade with slightly bullish tone. June contract opened slightly firm at Rs 1895/qtt, up Rs 4 against the previous close of Rs 1891/qtt and traded downward initially testing a low of Rs 1886/qtt. However, futures traded upward thereafter on some buying interest and managed to settle in the positive side. June contract traded in the range of Rs 1886-1922/qtt and the May contract traded in the range of Rs. 1833-1870/qtt. Guar gum May contract moved in the range of Rs. 4510-4626/qtt and the June Contract traded in the range of Rs. 4592-4695/qtt.

MCX Guar seed futures observed firm sentiment with bullish tone. June contract opened firm at Rs 1887.00 against the previous close of Rs 1884.50 and traded upward thereafter on increased buying interest testing a high of Rs 1920.00 and settled in the positive side. June contract traded in the range of Rs 1887.00-1920.00/qtt while May contract fluctuated in the range of Rs 1842.00-1865.00/qtt. Volume declined significantly while open interest increased significantly.

PRICE DRIVERS:

Bearish:

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

Bullish:

4. Expectation of higher export order in near future
5. IMD predicted 5% below average monsoon
6. Lower stock & higher prices in Pakistan
7. 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 char pattern exhibits some recovery in prices. Stochastic and RSI is moving upward in oversold region. So, prices may bounce back from the current level. 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.

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.	1885	1900	1915	1988	2000
NCDEX Guar Gum June.	4653	4678	4690	4805	4838
MCX Guar Seed June.	1889	1906	1915	1978	1992

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- June Guar Seed above 1920 with target of 1950 then 1970 Stop loss near 1905.

BUY NCDEX- June Guar Gum above 4715 with target of 4760 then 4784 Stop loss near 4692.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- June Guar Seed above 1923 with target of 1948 then 1964 Stop loss near 1910.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	28.04.07	27.04.07	Change
Guar Seed	Bikaner	1760	1745	+15
	Jodhpur	1860	1860	-
	Nokha	1750	1730	+20
Guar Gum	Sriganganagar			
	Jodhpur	4625	4625	-

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