

GUAR DAILY

April 05th, 2007

SPOT MARKETS:

Guar spot market witnessed firm sentiment during the Wednesday's trade. The prices both guar seed and guar gum recovered at the majority of markets on the back of good demand from millers and exporters against the declining arrivals. Total arrivals at the major markets stood at 4000 bags during the Wednesday's trade. In Bikaner mandi arrival stood at 100-150 bags, while in Nokha arrivals increased from 500 bags to 600 bags. Trade sources reported that the exporters demand for guar gum increased at the major mandis of Jodhpur and Nokha. Consequently stockists and millers remained active in the market. Thus, prices are likely to remain in the stronger side in coming days on increasing overseas and domestic demand.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened firm by Rs. 3 at Rs 2040/qrt against the previous close of Rs. 2037 and traded downwards initially testing a low of Rs. 2034. However, increased buying interest at lower level supported the futures to trade upwards and finally settled in the positive side. May contract moved in the range of Rs. 2034-2064/qrt, while the April contract moved in the range of Rs. 1976-2003/qrt. While the guar gum April contract moved in the range of Rs. 4850-4935/qrt and the May Contract traded in the range of Rs. 4980-5052/qrt.

MCX Guar seed futures observed firm sentiment with bullish tone. The most active May contract opened firm at Rs. 2006.00/qrt, up Rs. 5.50 against the previous close of Rs. 2000.50/qrt and traded downwards initially testing a low of Rs. 2002/qrt. However, increased buying interest supported the futures to trade upwards and settled in the positive side. May contract moved in the range of Rs. 2002-2028/qrt, while the April contract moved in the range of Rs. 1951-1975/qrt.

PRICE DRIVERS:

Bearish:

1. Higher production this year as compared to last year
2. Exclusion of VAT on guar in Rajasthan

Bullish:

3. Expectation of higher export order in near future
4. Increasing overseas demand
5. Good demand from millers and exporters
6. Lower stock position in Pakistan
7. Higher price in Pakistan

WEATHER IMPACT:

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

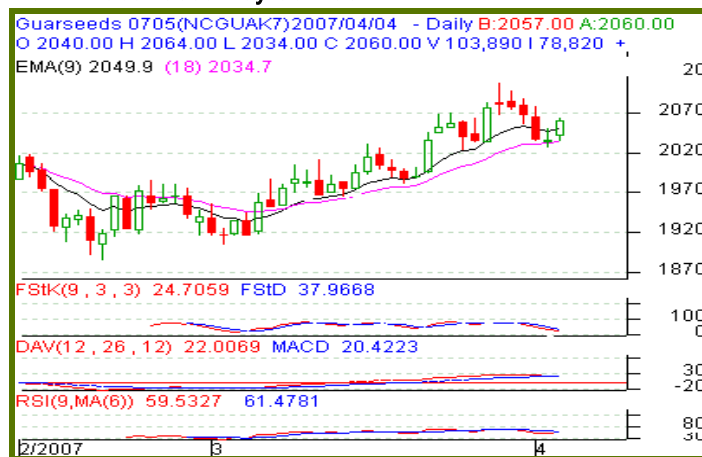
TECHNICALS:

Candlestick chart pattern exhibits bullish sentiment and firmness in prices. Technical indicator Stochastic is in neutral region and moving slightly downwards, while RSI is rising in neutral region. MACD is in positive region and moving slightly upward. Closing price is above both the 9 days and 18 days EMA that indicates short-term firmness in prices. Market is expected to trade upwards following steady to slightly firm opening with possibility slight late downwards movement.

OUTLOOK:

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

NCDEX Guar Seed May Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed May.	2045	2053	2060	2101	2108
NCDEX Guar Gum May.	5001	5025	5039	5145	5160
MCX Guar Seed May.	2010	2018	2022	2060	2066

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- May Guar Seed above 2063 with target of 2083 then 2093 **Stop loss** near 2052.

BUY NCDEX- May Guar Gum above 5050 with target of 5100 then 5122 **Stop loss** near 5025.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- May Guar Seed above 2025 with target of 2045 then 2055 **Stop loss** near 2015.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	04.04.07	03.04.07	Change
Guar Seed	Bikaner	1880	1860	+20
	Jodhpur	1995	1975	+20
	Nokha	1850	1840	+10
	Sriganganagar			
Guar Gum	Jodhpur	4925	4875	+50

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