

GUAR DAILY

26th, June 2007

SPOT MARKETS:

Guar seed and guar gum prices declined at most of the major markets amidst normal demand against ample supply situation. Rains over the part of southeast Rajasthan coupled with report of favourable monsoon progress by IMD imparted bearishness during the Monday's trade. These pre-monsoonal rainfall favours guar cultivation and sources reported that in some parts of Rajasthan sowing of crop (guari) is already started and in rest of the part farmers preparing their fields for the same. Further, desperate selling by traders reported during the Monday's trade due to fears bumper production again, which is weighing heavily on prices. Rest of the fundamental remains bullish in the market. Overall arrivals at the majority of markets stood at around 4500-5500 bags with no arrivals reported in Nokha. Bikaner received the arrival of around 100-150 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened firm at Rs 1695/qrtl, up Rs 7 against the previous close of Rs 1688/qrtl and traded up initially testing a high of Rs 1699/qrtl. However, prices skid thereafter erasing the early gains on increased selling pressure and finally settled in the negative side. July contract traded in the range of Rs 1661-1699/qrtl. In July contract both volume and open interest declined. Guar gum July contract traded in the range of Rs 4193-4288/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened firm at Rs 1660.0 against the previous close of Rs 1656.0 and traded up initially testing a high of Rs 1664.0. However, prices traded down thereafter on increased selling pressure and finally settled in the negative side. July contract traded in the range of Rs 1625.00-1664.00/qrtl.

PRICE DRIVERS:

1. Mild demand from exporters & millers
2. Rains over some part of Rajasthan and Haryana
3. Reports of good monsoon progress
4. Expectation of normal to better monsoon
5. Ample stock position in the market
6. Good overseas demand

WEATHER IMPACT:

As per IMD conditions are favourable for the further advancement of monsoon in rest of the parts of Rajasthan in next 72 hours. So, keep a close look on monsoon progress as guar prices are sensitive to monsoon. If monsoon shows exceptionally good progress, guar prices might slump further.

TECHNICALS:

Candlestick char pattern shows weakness in prices. MACD and EMA indicate for short term weakness in prices. Stochastic has made bearish crossover in oversold region. RSI is deep in the oversold region. Market is expected to trade range bound with weak bias.

OUTLOOK:

Guar seed futures are expected to trade range bound with weak bias.

NCDEX Guar Seed July Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed July.	1630	1640	1670	1688	1699
NCDEX Guar Gum July.	4165	4175	4205	4240	4255
MCX Guar Seed July.	1590	1600	1625	1642	1652

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1678 with target of 1662 then 1652. Stop loss near 1686.

SELL NCDEX- July Guar Gum below 4225 with target of 4200 then 4190 Stop loss near 4237.5.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

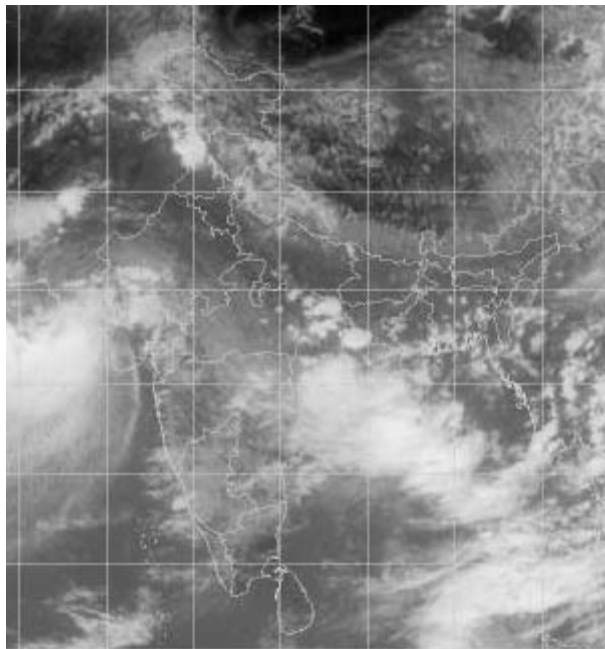
SELL MCX- July Guar Seed below 1632 with target of 1612. Stop loss near 1642.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	25.06.07	23.06.07	Change
Guar Seed	Bikaner	1660	1670-80	-20
	Jodhpur	1790	1810	-20
	Nokha	1600-1610	1620	-10
Guar Gum	Sriganganagar			
	Jodhpur	4350	4400	-50

SATELLITE IMAGE OF MONSOON PROGRESS (as on 25.06.07)



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