

GUAR DAILY

12th, June 2007

SPOT MARKETS:

The prices of both guar seed and guar gum quoted slightly higher in Jodhpur market on some demand from miller and exporters, while the prices of guar seed stood steady at Bikaner and Nokha markets on subdued trading activity. Some demand from millers and exporters witnessed during the Monday's trade, while stockists remained silent in the market. Further, IMD on June 11th predicted that the conditions are favorable for the further advance of SW monsoon, which is heavily weighing on prices. Sources reported that the markets are monitoring the monsoon progress very closely, as the price movement of guar depends on the progress of monsoon. So, monsoon progress is closely watched now till it hits Rajasthan. Overall arrivals at the majority of markets stood at around 4500-5000 bags with no arrival reported in Nokha and Bikaner.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed range bound trade with bearish undertone. July contract opened firm at Rs 1807/qrtl, up Rs 3 against the previous close of Rs 1804/qrtl and traded up initially testing a high of Rs 1818/qrtl. However, prices traded down thereafter on selling pressure coupled with the report of good monsoon progress and settled red. June and July contract traded in a narrow range of Rs 1763-1785/qrtl and Rs 1794-1818/qrtl. In July contract both volume and open interest increased. Guar gum June and July contract traded in the range of Rs 4452-4501/qrtl and Rs 4542-4585/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with bearish undertone. The most active July contract opened firm at Rs 1786.0 and traded up initially testing a high of Rs 1794.0. However, futures traded down thereafter on selling pressure and reports of good monsoon progress and finally settled red. June and July contract traded in the range of Rs 1734.00-1750.00/qrtl and Rs 1775.00-1794.00/qrtl with declining volume and increasing open interest.

PRICE DRIVERS:

1. Marginal improvement in dollar
2. Recent rains over NW part favorable for guar
3. Normal demand from exporters & millers
4. Reports of good monsoon progress
5. Expectation of normal to better monsoon
6. Ample stock position in the market
7. Good overseas demand

WEATHER IMPACT:

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 chart pattern shows weakness in prices. Closing price is below the short term EMAs which indicate weakness in short term. MACD is moving flat in negative region. Stochastic and RSI is moving down in the neutral region, which shows further weakness in prices. Range bound movement is expected in the market.

OUTLOOK:

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

NCDEX Guar Seed July Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed July.	1757	1766	1798	1821	1835
NCDEX Guar Gum July.	4493	4507	4550	4580	4595
MCX Guar Seed July.	1733	1743	1772	1803	1811

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1810 with target of 1790 then 1780 Stop loss near 1820.

SELL NCDEX- July Guar Gum below 4565 with target of 4535 then 4520 Stop loss near 4580.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

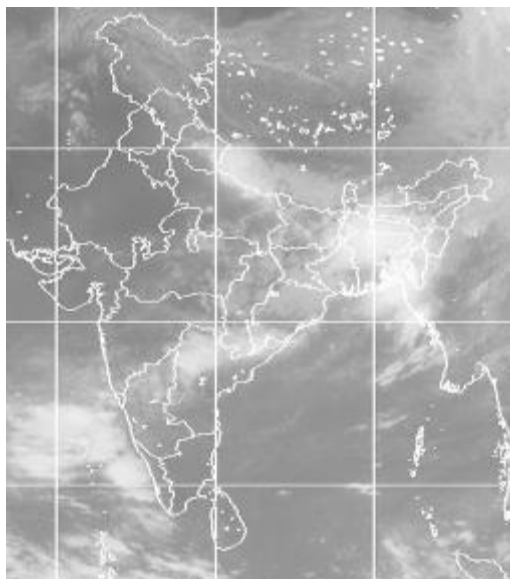
SELL MCX- July Guar Seed below 1780 with target of 1760 then 1750 Stop loss near 1790.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.06.07	09.06.07	Change
Guar Seed	Bikaner	1740	1740	-
	Jodhpur	1875	1860-65	+10
	Nokha	1675	1675	-
Guar Gum	Sriganganagar			
	Jodhpur	4560	4550	+10

SATELLITE IMAGE OF MONSOON PROGRESS (as on 11.06.07)



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