

GUAR DAILY

23rd, June 2007

SPOT MARKETS:

Guar seed and guar gum prices at Jodhpur market stood steady on good demand against ample supply situation, while declined marginally in Bikaner and Nokha market on mild demand against good supply. At Jodhpur market good demand from exporters and millers reported during the Friday's trade, which supported the market sentiment. As per IMD, conditions are further favourable for the advancement of monsoon in the remaining parts of Rajasthan in next 72 hours. Total arrivals at the majority of market reportedly stood at 4500-5000 bags with no arrivals reported in Bikaner, while Nokha received the arrivals of 100-150 bags. Meanwhile, guar gum exports during the Apr-Jan period achieved about 73.62% of the target of \$281.6 mln (Rs 12.4 bln) set for the financial year ended March. However, the country failed to achieve the target due to higher domestic prices coupled with shifting of overseas demand to Pakistan, which offered lower prices for the commodity. As per the data available with APEDA, India's guar gum exports rise marginally by 2.2% to 1,50,341 tonnes in Apr-Jan and are valued at \$200.92 mln (Rs 9.1 bln), up 7.5% from the last years. In January, exports were estimated at 15,163 tonnes up 23% from December level. In Last FY Country exported 1, 86,530 tonnes of guar gum.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened firm at Rs 1712/qlt, up Rs 1 against the previous close of Rs 1711/qlt and traded up initially testing a high of Rs 1720/qlt. However, prices tumbled thereafter on increased selling pressure coupled with reports of good monsoon progress and settled in the negative side. July contract traded in the range of Rs 1678-1720/qlt. In July contract both volume and open interest increased. Guar gum July contract traded in the range of Rs 4265-4370/qlt.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened firm at Rs 1684.0 against the previous close of Rs 1679.0 and traded up initially testing a high of Rs 1687.0. However, prices tumbled thereafter on selling pressure coupled with reports of good monsoon progress and settled in the negative side. July contract traded in the range of Rs 1654.00-1687.00/qlt.

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:

Monsoon has revived now and is expected to be active during the current week. 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. Closing price is well below the short term EMAs, which indicate for short term weakness in prices. MACD is moving flat in the negative region. Both Stochastic and RSI is moving downward in 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.	1650	1660	1691	1710	1720
NCDEX Guar Gum July.	4220	4230	4262	4300	4322
MCX Guar Seed July.	1620	1630	1653	1672	1684

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1700 with target of 1682 then 1672. Stop loss near 1708.

SELL NCDEX- July Guar Gum below 4277 with target of 4252 then 4242 Stop loss near 4289.5.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

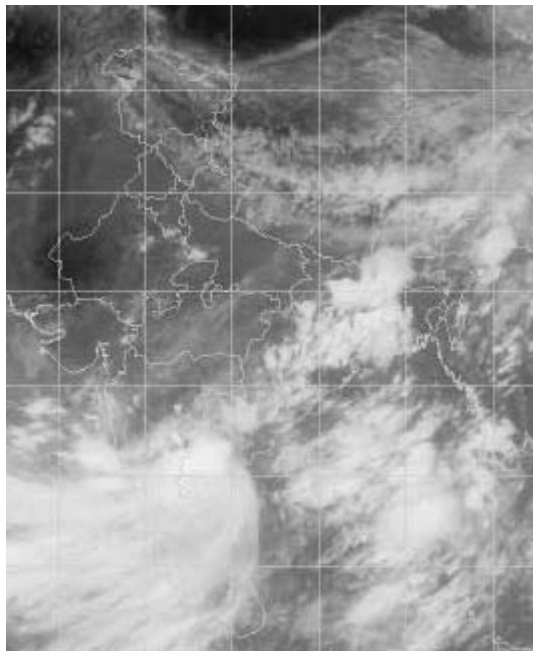
SELL MCX- July Guar Seed below 1660 with target of 1640. Stop loss near 1670.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	22.06.07	21.06.07	Change
Guar Seed	Bikaner	1670-80	1690	-10
	Jodhpur	1810	1810	-
	Nokha	1620	1630	-10
Guar Gum	Sriganganagar			
	Jodhpur	4400	4400	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 22.06.07)



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