

GUAR DAILY

11th, June 2007

SPOT MARKETS:

The prices of both guar seed and guar gum remained unmoved during the Saturday's trade at most of the major markets on routine demand against restricted arrivals. Mild demand from millers and exporters reported in the market, while stockists' activity remained subdued or absent during the Saturday's trade. Further, 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 declined marginally and stood at around 4500-5000. Nokha experienced the arrival of 100-150 bags, while no arrivals reported in Bikaner.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with bullish tone. July contract opened firm at Rs 1799/qrtl, up Rs 3 against the previous close of Rs 1796/qrtl and traded down initially testing a low of Rs 1793/qrtl. However, prices recovered thereafter on some buying interest and settled in the positive side. June and July contract traded in a narrow range of Rs 1760-1771/qrtl and Rs 1793-1806/qrtl. In July contract volume declined while open interest increased. Guar gum June and July contract traded in the range of Rs 4450-4487/qrtl and Rs 4531-4557/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with slightly bullish tone. The most active July contract opened flat at its previous close of Rs 1773.0. Contract then traded up on some buying interest and managed to settle in the positive side. June and July contract traded in the range of Rs 1735.00-1745.00/qrtl and Rs 1773.00-1784.00/qrtl with both volume and open interest increased.

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 marginal recovery in prices. Closing price is below the short term EMAs which indicate weakness in short term. MACD is moving flat in negative region. Stochastic is moving down in the neutral region, while RSI is moving upward in neutral region. 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.	1766	1777	1803	1824	1835
NCDEX Guar Gum July.	4500	4515	4555	4580	4595
MCX Guar Seed July.	1743	1753	1782	1803	1811

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1815 with target of 1795 then 1785 Stop loss near 1825.

SELL NCDEX- July Guar Gum below 4570 with target of 4540 then 4525 Stop loss near 4585.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

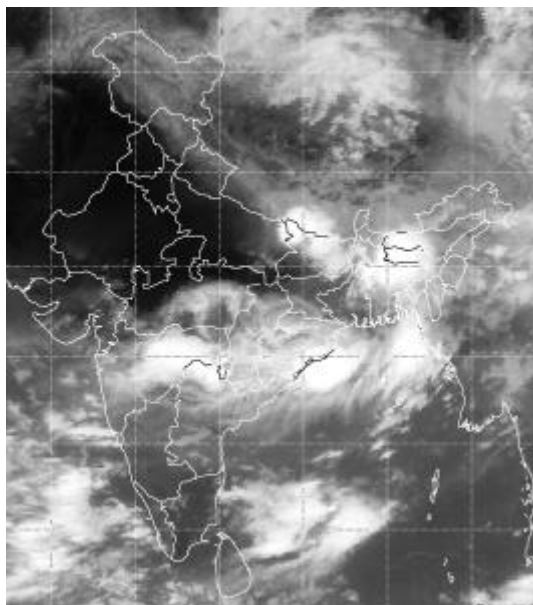
SELL MCX- July Guar Seed below 1792 with target of 1772 then 1762 Stop loss near 1802.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	09.06.07	08.06.07	Change
Guar Seed	Bikaner	1740	1740	-
	Jodhpur	1860-65	1860-65	-
	Nokha	1675	1675	-
Guar Gum	Sriganganagar			
	Jodhpur	4550	4550	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 09.06.07)



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