

GUAR DAILY

19th, June 2007

SPOT MARKETS:

Guar seed and guar gum prices remained unchanged at most of the major markets on good demand against ample supply situation. Reports of favourable monsoon progress coupled with rainfall over some part of Rajasthan (Sriganganagar) and Haryana, weighing heavily on prices, as these rains are seen improving crop prospects. Sources reported that the cultivation of guar will soon start in Sriganganagar and Haryana, which may impart bearishness in the market. However, taking into account the recent fall in guar prices their may be possibility that the farmers may shift to other lucrative crop, which likely to impart bullishness in medium term. Further, reports of good demand from exporters and millers reportedly in the market. Overall, arrivals at majority of markets reported stood at around 5000-5500 bags. Nokha received the arrival of 200 bags while no arrival reported in Bikaner.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. July contract opened weak at Rs 1699/qrtl, down Rs 9 against the previous close of Rs 1708/qrtl and traded down initially testing a low of Rs 1682/qrtl. However, prices recovered thereafter on buying interest and settled at Rs 1706/qrtl, down Rs 2 from the previous close. June and July contract traded in the range of Rs 1659-1694/qrtl and Rs 1682-1725/qrtl. In July contract volume increased while open interest declined. Guar gum June and July contract traded in the range of Rs 4239-4320/qrtl and Rs 4301-4475/qrtl.

MCX Guar seed futures witnessed lackluster trade with bullish tone. The most active July contract opened weak at Rs 1672.0 against the previous close of Rs 1681.0 and traded down initially testing a low of Rs 1660.0. However, prices traded up thereafter on some buying interest and finally settled at Rs 1676.0. June and July contract traded in the range of Rs 1632.00-1664.00/qrtl and Rs 1660.00-1696.00/qrtl.

PRICE DRIVERS:

1. Good 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
7. Expectation of bumper production again

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:

Long upper shadow of the candlestick indicates good selling pressure at higher level. MACD and EMA indicate for further bearishness in the market. Stochastic has made bullish crossover in the oversold region while RSI is moving flat 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.	1660	1670	1706	1723	1730
NCDEX Guar Gum July.	4290	4301	4357	4402	4418
MCX Guar Seed July.	1630	1640	1676	1700	1710

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1717 with target of 1697 then 1687. Stop loss near 1727.

SELL NCDEX- July Guar Gum below 4371 with target of 4341 then 4326 Stop loss near 4386.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

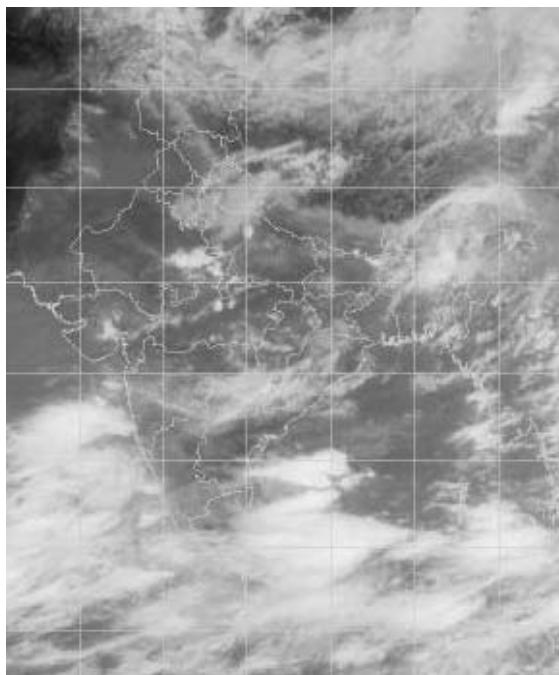
SELL MCX- July Guar Seed below 1685 with target of 1665 then 1655. Stop loss near 1695.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	18.06.07	16.06.07	Change
Guar Seed	Bikaner	1690	1690	0
	Jodhpur	1800	1800	0
	Nokha	1620-30	1630	0
Guar Gum	Sriganganagar			
	Jodhpur	4350-75	4375	0

SATELLITE IMAGE OF MONSOON PROGRESS (as on 18.06.07)



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd