

GUAR DAILY

8th, June 2007

SPOT MARKETS:

The spot market prices of guar seed eased marginally at most of the major markets amidst normal demand and increased supply, while prices of guar gum at Jodhpur market remained unchanged on mild demand from exporters. Marginal improvement in dollar motivated exporters to remain active in the market consequently millers too remained active in the market with some reports of selling by stockists at better available prices. Overall arrivals at the majority of markets reportedly stood at around 4500-5000 bags. Nokha witnessed the arrivals of around 150 bags during the Thursday's trade while Bikaner experienced no arrivals. Further, IMD announced that the conditions are becoming favourable for the advance of SW monsoon over northeastern/southern states during next 2-3 days.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed narrow range bound trade with bullish tone. July contract opened weak at 1786/qrtl, down Rs 6 against the previous close of Rs 1792/qrtl and traded down initially testing a low of Rs 1776/qrtl. However, prices recovered thereafter on some buying interest and managed to settle in the positive side. June and July contract traded in a narrow range of Rs 1744-1772/qrtl and Rs 1776-1806/qrtl. In July contract volume declined while open interest increased. Guar gum June and July contract traded in the range of Rs 4402-4471/qrtl and Rs 4490-4555/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with bullish tone. The most active July contract opened firm at Rs 1792.0 against the previous close of Rs 1774.0 and traded down initially testing a low of Rs 1759.0. However, prices recovered on some buying interest and managed to settle in the positive side. June and July contract traded in the range of Rs 1711.00-1740.00/qrtl and Rs 1759.00-1792.00/qrtl.

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 firmness market. MACD and EMA indicate for short term weakness. Stochastic is moving down in the neutral region while RSI is moving upward in the neutral region. Market is expected to trade down following steady to slightly firm opening.

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.	1769	1777	1804	1831	1840
NCDEX Guar Gum July.	4490	4502	4541	4580	4592
MCX Guar Seed July.	1743	1752	1780	1807	1819

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1820 with target of 1800 then 1790 Stop loss near 1830.

SELL NCDEX- July Guar Gum below 4560 with target of 4530 then 4515 Stop loss near 4575.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

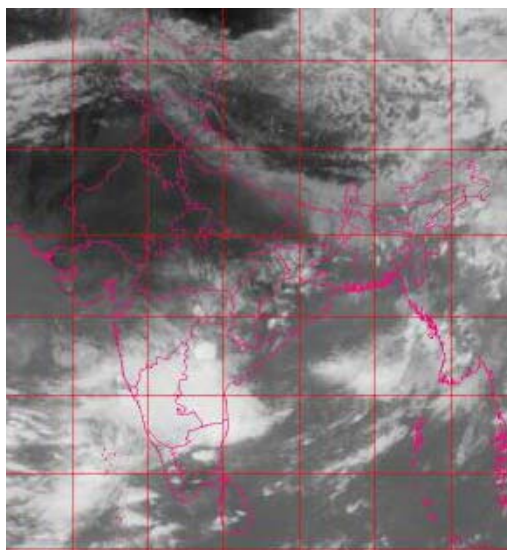
SELL MCX- July Guar Seed below 1794 with target of 1774 then 1764 Stop loss near 1804.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	07.06.07	06.06.07	Change
Guar Seed	Bikaner	1740-45	1740-50	-5
	Jodhpur	1870-75	1880	-5
	Nokha	1675-80	1685	-5
Guar Gum	Sriganganagar			
	Jodhpur	4550	4550	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 07.06.07)



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