

GUAR DAILY

27th, June 2007

SPOT MARKETS:

Guar seed and guar gum prices witnessed further fall in prices at the majority of markets on weak physical demand against ample supply situation. Demand from exporters and millers remained subdued or silent in the market during the Tuesday's trade. Further, arrival of monsoon over the parts of Rajasthan, Haryana and Punjab imparted bearishness in the market. Traders are offloading their inventories due to the expectation of bumper crop again. Sources reported that in some part of Rajasthan, Haryana and Punjab sowing of crop (Guari) already started and in the rest part of Rajasthan it is expected soon after the monsoon rains. Thus, prices are expected to remain weak in short run due to the reports of favourable monsoon progress over Rajasthan a major producing state of guar. Overall arrivals at the majority of markets stood at around 5000-5500 bags with no arrivals reported in Nokha and Bikaner.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened flat at its previous close of Rs 1670/qrtl. Contract then traded down thereafter on increased selling pressure coupled with reports of favourable monsoon progress over Rajasthan region where guar is largely grown and tested a low of Rs 1631/qrtl and finally settled in the negative side. July contract traded in the range of Rs 1631-1670/qrtl. In July contract volume increased marginally while open interest declined marginally. Guar gum July contract traded in the range of Rs 4095-4175/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened weak at Rs 1621.0 against the previous close of Rs 1628.5. Contract then traded down on increased selling pressure and tested a low of Rs 1593.0 and finally settled in the negative side. July contract traded in the range of Rs 1593.00-1621.00/qrtl.

PRICE DRIVERS:

1. Subdued 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:

As per IMD conditions are favourable for the further advancement of monsoon in rest of the parts of Rajasthan in next 72 hours. 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 far below the 9 and 18 days EMA, which indicate for weakness in prices. MACD is moving down in the negative region. Stochastic has made bullish crossover in oversold region while RSI is deep 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.	1600	1615	1648	1662	1670
NCDEX Guar Gum July.	4080	4095	4140	4175	4194
MCX Guar Seed July.	1570	1580	1608	1625	1635

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1652 with target of 1634 then 1624. Stop loss near 1661.

SELL NCDEX- July Guar Gum below 4155 with target of 4130 then 4118 Stop loss near 4167.5.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

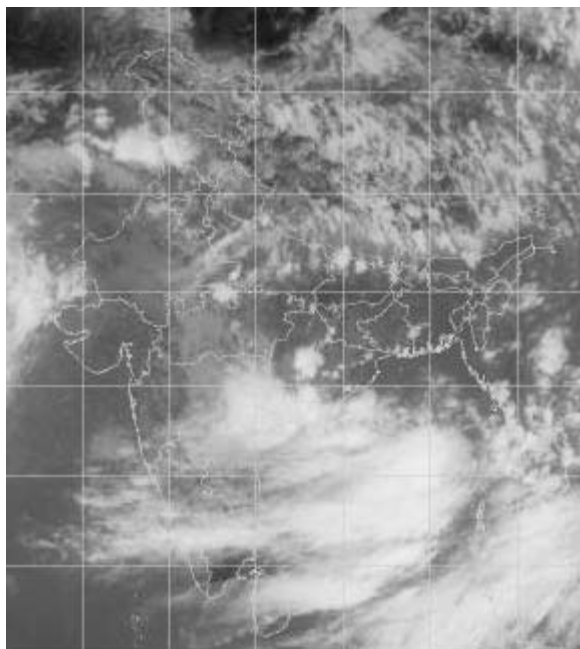
SELL MCX- July Guar Seed below 1616 with target of 1600 then 1590. Stop loss near 1624.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	26.06.07	25.06.07	Change
Guar Seed	Bikaner	1640	1660	-20
	Jodhpur	1735	1790	-55
	Nokha	1590	1600-1610	-20
Guar Gum	Sriganganagar			
	Jodhpur	4250	4350	-100

SATELLITE IMAGE OF MONSOON PROGRESS (as on 26.06.07)



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