

GUAR DAILY

14th, June 2007

SPOT MARKETS:

The prices of both guar seed and guar gum stood steady at most of the major markets on subdued demand against restricted arrivals. Slight demand from millers and exporters are reported during the Wednesday's trade. Arrivals at the majority of markets stood steady at 4500-5500 bags. In Bikaner and Nokha mandi arrival stood steady at 100-150 bags and 150-200 bags. Sources reported that the traders are offloading their inventories on the back of reports of good monsoon progress. On June 13th IMD predicted that the conditions are favourable for the further advance of SW monsoon. Thus, slight weakness is expected in prices.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened slightly firm at Rs 1785/qrtl, up Rs 1 against the previous close of Rs 1784/qrtl and traded up initially testing a high of Rs 1797/qrtl. However, prices tumbled thereafter on increased selling pressure coupled with reports of good monsoon progress and settled down 2.8% at Rs 1734. June and July contract traded in a narrow range of Rs 1696-1767/qrtl and Rs 1720-1797/qrtl. In July contract volume increased significantly while open interest declined significantly. Guar gum June and July contract traded in the range of Rs 4300-4470/qrtl and Rs 4360-4540/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened slightly firm at Rs 1765.0 against the previous close of Rs 1762.5 and traded up initially testing a high of Rs 1772.0. However, prices tumbled thereafter on increased selling pressure and settled down at Rs 1711. June and July contract traded in the range of Rs 1677.50-1747.50/qrtl and Rs 1698.00-1772.00/qrtl.

PRICE DRIVERS:

1. Marginal improvement in dollar
2. Mild demand from exporters & millers
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:

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 weakness in prices. Prices closed far below the 9 and 18 days EMA and below the major support level, which show weakness in prices. MACD is moving down in negative region. Stochastic and RSI is moving down in over sold region. Market is expected to trade down following a steady to slightly firm opening.

OUTLOOK:

Guar seed futures are expected to trade range bound 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.	1700	1710	1734	1759	1768
NCDEX Guar Gum July.	4350	4361	4390	4426	4445
MCX Guar Seed July.	1680	1690	1711	1732	1740

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1746 with target of 1726. Stop loss near 1756.

SELL NCDEX- July Guar Gum below 4415 with target of 4385 then 4375 Stop loss near 4430.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

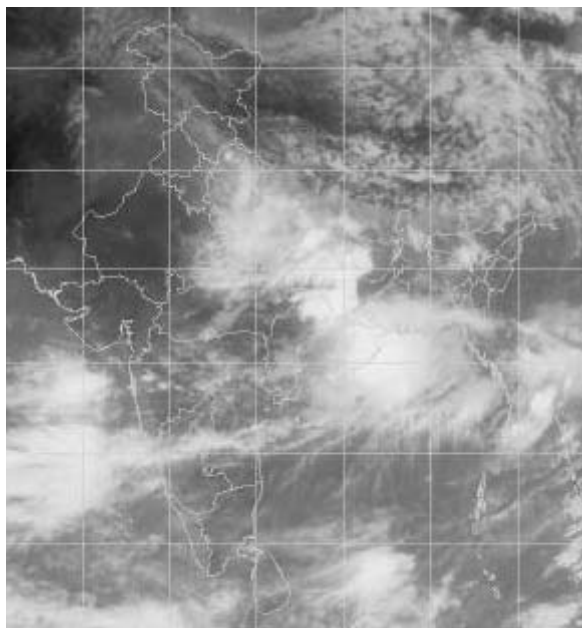
SELL MCX- July Guar Seed below 1720 with target of 1700. Stop loss near 1730.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	13.06.07	12.06.07	Change
Guar Seed	Bikaner	1735	1735	-
	Jodhpur	1860	1860	-
	Nokha	1650	1650	-
Guar Gum	Sriganganagar			
	Jodhpur	4525	4525	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 13.06.07)



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