

GUAR DAILY

28th, June 2007

SPOT MARKETS:

Amidst normal demand against good supply the prices of both guar seed and guar gum declined further at most of the major markets during the Wednesday's trade. Arrival of monsoon over parts of Rajasthan, Haryana, Gujarat and Punjab and reports of rainfall over some parts of Rajasthan is heavily weighing on prices, as these rains are favourable for guar cultivation, productivity and yield. As per sources, in some parts of Rajasthan (Sriganganagar and Hanumannagar), Haryana and Punjab sowing of crop (Guari) already started. Sources reported that the traders are watching the monsoon progress in rest part of Rajasthan. If monsoon progresses well then prices are expected to slump further or else improvement is expected. Further, good demand from exporters for guar gum reported at lower price levels. Consequently, some demand from millers also reported in the market. Overall arrivals at the majority of markets stood at around 5000-5500 bags. Bikaner and Nokha experienced the arrival of 100 bags each.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened firm at Rs 1650/qrtl, up Rs 4 against the previous close of Rs 1646/qrtl and traded up initially testing a high of Rs 1654/qrtl. However, prices tumbled thereafter on increased selling pressure and settled in the negative side. July contract traded in the range of Rs 1621-1654/qrtl. In July contract both volume and open interest declined significantly. Guar gum July contract traded in the range of Rs 4091-4159/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened firm at Rs 1615.0 against the previous close of Rs 1605.5. Contract then traded down on increased selling pressure and tested a low of Rs 1587.0 and finally settled in the negative side. July contract traded in the range of Rs 1587.00-1615.00/qrtl.

PRICE DRIVERS:

1. Good demand from exporters & millers
2. Rains over some part of Rajasthan, Haryana & Punjab
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. Selling pressure in the futures market

WEATHER IMPACT:

As per IMD conditions are favourable for the further advancement of monsoon in rest of the parts of Rajasthan. If monsoon shows exceptionally good progress, guar prices might slump further.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. Closing price is far below the short term EMAs, which indicate further weakness in prices. MACD is moving downward in the negative region, which shows increase in bearishness. Stochastic and RSI is moving down 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.	1580	1590	1623	1640	1652
NCDEX Guar Gum July.	4060	4065	4100	4133	4145
MCX Guar Seed July.	1560	1565	1587	1605	1615

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1630 with target of 1612 then 1602. Stop loss near 1639.

SELL NCDEX- July Guar Gum below 4115 with target of 4090 then 4078 Stop loss near 4127.5.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

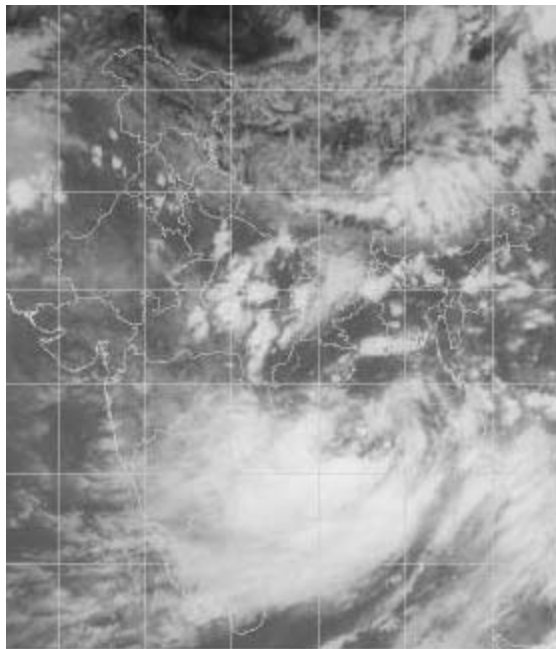
SELL MCX- July Guar Seed below 1596 with target of 1576. Stop loss near 1606.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	27.06.07	26.06.07	Change
Guar Seed	Bikaner	1610-15	1640	-25
	Jodhpur	1710	1735	-25
	Nokha	1570	1590	-20
Guar Gum	Sriganganagar			
	Jodhpur	4200-25	4250	-25

SATELLITE IMAGE OF MONSOON PROGRESS (as on 27.06.07)



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