

GUAR DAILY

13th, June 2007

SPOT MARKETS:

Amidst subdued demand and better supply situation in the market the prices of both guar seed and guar gum eased at most of the major markets. Mild demand from processors and exporters are reported during the Tuesday's trade at lower price levels. Marginal improvement in arrivals was also reported at Nokha and Bikaner mandis. Consequently, overall arrivals also improved slightly and reported at around 4500-5500 bags. Bikaner received the arrivals of 100-150 bags and arrivals at Nokha reported at 150-200 bags. As per IMD, conditions continue to remain favourable for the further advance of SW monsoon, which further imparted bearishness in the market. So, keep a close look over the monsoon progress as the price movement depends on the news of monsoon progress.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened weak at Rs 1795/qrtl, down Rs 3 against the previous close of Rs 1798/qrtl and traded up initially testing a high of Rs 1797/qrtl. However, futures traded down thereafter on selling pressure coupled with the report of good monsoon progress and settled in the negative side. June and July contract traded in a narrow range of Rs 1750-1767/qrtl and Rs 1777-1797/qrtl. In July contract volume declined significantly while open interest increased marginally. Guar gum June and July contract traded in the range of Rs 4423-4471/qrtl and Rs 4500-4534/qrtl.

MCX Guar seed futures witnessed narrow range bound trade with bearish undertone. The most active July contract opened at its previous close of Rs 1775.0. Contract then traded down thereafter on increased selling pressure testing a low of Rs 1752.0 and settled in the negative side. June and July contract traded in the range of Rs 1722.00-1735.00/qrtl and Rs 1752.00-1775.00/qrtl.

PRICE DRIVERS:

1. Strengthening rupees hurting exports
2. Subdued 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. MACD and EMA indicate for short term weakness in prices. Stochastic and RSI is moving down in the neutral region, which shows further weakness in prices. Market is expected to trade range bound with weak bias.

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.	1746	1751	1783	1800	1811
NCDEX Guar Gum July.	4444	4456	4501	4531	4543
MCX Guar Seed July.	1720	1732	1760	1780	1790

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1790 with target of 1770 then 1760 Stop loss near 1800.

SELL NCDEX- July Guar Gum below 4516 with target of 4486 then 4471 Stop loss near 4531.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

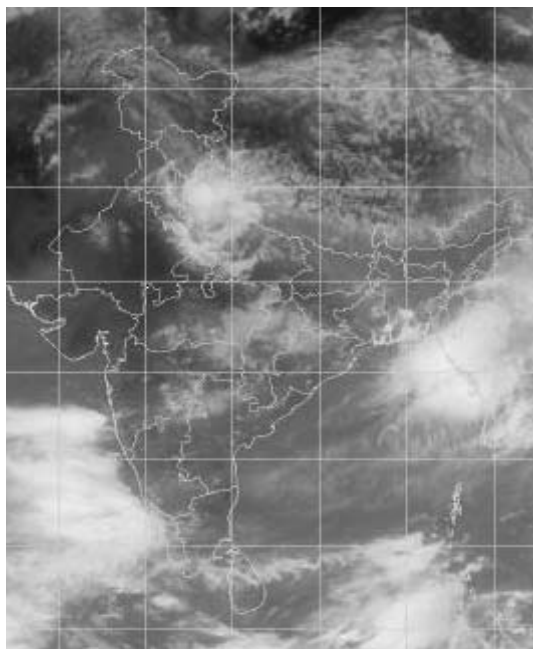
SELL MCX- July Guar Seed below 1768 with target of 1748. Stop loss near 1778.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.06.07	11.06.07	Change
Guar Seed	Bikaner	1735	1740	-5
	Jodhpur	1860	1875	-15
	Nokha	1650	1675	-25
Guar Gum	Sriganganagar			
	Jodhpur	4525	4560	-35

SATELLITE IMAGE OF MONSOON PROGRESS (as on 12.06.07)



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