

GUAR DAILY

7th, June 2007

SPOT MARKETS:

The spot market prices of both guar seed and guar gum recovered at most of the major markets on some demand from millers and exporters against normal supply situation. Millers, exporters and stockists remained active in the market. Moreover, demand for Churi and Korma also supported the market sentiment during the Wednesday's trade. Consequently, marginal improvement in arrivals reported at the majority of markets and stood at 4500-5000 bags, mainly from stockists. Nokha witnessed the arrival of 100-150 bags while Bikaner experienced no arrivals. Further, IMD announced that the conditions are becoming favourable for the advance of SW monsoon over northeastern states during next 72 hrs. thus, slight weakness is expected in prices.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. July contract opened flat at its previous close of Rs 1830/qrtl and traded up in the early hours of trade testing a high of Rs 1858/qrtl. However, prices tumbled thereafter on increased selling pressure and settled in the negative side. July contract traded in the range of Rs 1784-1858/qrtl and June contract traded in the range of Rs 1751-1817/qrtl. In July contract both volume and open interest increased significantly. Guar gum June contract hovered in the range of Rs.4410-4569/qrtl and July contract traded in the range of Rs 4496-4662/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. The most active July contract opened firm at Rs 1814.0 against the previous close of Rs 1809.5 and traded up initially testing a high of Rs 1836.0. However, prices tumbled thereafter on increased selling pressure and settled in the negative side. July contract traded in the range of Rs 1770.00-1836.00/qrtl and June contract traded in the range of Rs 1730.50-1790.00/qrtl.

PRICE DRIVERS:

1. Recent rains over NW part favorable for guar
2. Mild demand from exporters & millers
3. Reports of slow monsoon progress
4. Expectation of normal to better monsoon
5. Appreciation of rupee against dollar
6. Ample stock position in the market
7. Lower stock & higher prices in Pakistan

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 market. MACD and EMA indicate for short term weakness. Stochastic has made bearish cross over in neutral region while RSI is moving downward in the neutral region. Market is expected to trade down following steady to slightly firm opening with possibility of late upward movement.

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.	1746	1760	1790	1811	1821
NCDEX Guar Gum July.	4449	4459	4506	4534	4551
MCX Guar Seed July.	1733	1742	1770	1792	1803

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- July Guar Seed below 1800 with target of 1780 then 1770 Stop loss near 1810.

SELL NCDEX- July Guar Gum below 4520 with target of 4490 then 4475 Stop loss near 4535.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

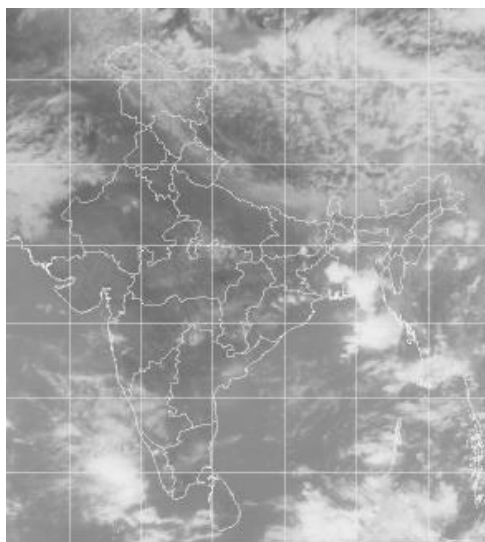
SELL MCX- July Guar Seed below 1782 with target of 1762 then 1752 Stop loss near 1792.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	06.06.07	05.06.07	Change
Guar Seed	Bikaner	1740-50	1740	+10
	Jodhpur	1880	1860	+20
	Nokha	1685	1675	+10
Guar Gum	Sriganganagar			
	Jodhpur	4550	4520	+30

SATELLITE IMAGE OF MONSOON PROGRESS (as on 06.06.07)



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