

GUAR DAILY

3rd, July 2007

SPOT MARKETS:

The prices of both guar seed and guar gum improved further at the majority of markets amidst good physical demand against lower arrivals coupled with revised lower forecast by IMD. Good demand from exporters and millers reported during the Monday's trade. Further, IMD on June 29th revised lower its forecast to 93% from 95% predicted in April, which imparted bullishness in the market. Lower rainfall means slow down of sowing progress and conversely fall in production, which supported the sentiment. Thus, considering the above factor prices are expected to improve further in coming days. However, if the monsoon progresses well over the Rajasthan region the prices are likely to decline. Meanwhile, sowing of the crop is gradually picking up pace in parts of Rajasthan and Haryana, sources reported. Total arrivals at the majority of markets reportedly stood at around 5000-5500 bags. No arrivals reported in Nokha and Bikaner during the Monday's trade.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed lacklustre trade with bullish tone. July contract opened firm at Rs 1658/qrtl, up Rs 2 against the previous close of Rs 1656/qrtl and traded up initially testing a high of Rs 1676/qrtl. However, prices skid thereafter on increased selling pressure and profit taking erasing the early gains and settled in the negative side. July contract traded in the range of Rs 1638-1676/qrtl. In July contract both volume and open interest declined. Guar gum July contract traded in the range of Rs 4165-4250/qrtl.

MCX Guar seed futures witnessed firm sentiment with bullish tone. The most active July contract opened firm at Rs 1602.0 against the previous close of Rs 1591.0 and traded down initially testing a low of Rs 1599.0. Contract then traded up on increased buying interest at lower level and settled in the positive side. July contract traded in the range of Rs 1599.00-1633.00/qrtl.

PRICE DRIVERS:

1. Good demand from exporters & millers
2. IMD downwards its forecast to 93% LPA from 95% for this years monsoon
3. Rains over some part of Rajasthan, Haryana & Punjab
4. Reports of favorable monsoon progress
5. Expectation of normal to better monsoon
6. Ample stock position in the market
7. Good overseas demand
8. Selling pressure in the futures market

WEATHER IMPACT:

IMD revised downwards its forecast for this year's (Jun-Sept) monsoon to 93% LPA from 95% predicted in April. However, predicted 95% rains for July.

TECHNICALS:

Candlestick char pattern shows indecision in the market. Closing prices is between the 9 & 18 days EMA indicating short term firmness. MACD is rising steadily in the negative region. Both Stochastic and RSI is rising in the neutral region. Market is expected to trade up following steady to slightly firm opening with possibility of late downward movement.

OUTLOOK:

Guar seed futures are expected to trade range bound with firm bias.

NCDEX Guar Seed July Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed July.	1633	1646	1655	1701	1712
NCDEX Guar Gum July.	4179	4197	4205	4284	4298
MCX Guar Seed July.	1581	1594	1612.5	1664	1685

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- July Guar Seed above 1662 with target of 1682 then 1692. Stop loss near 1652.

BUY NCDEX- July Guar Gum below 4221 with target of 4251 then 4266. Stop loss near 4206.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

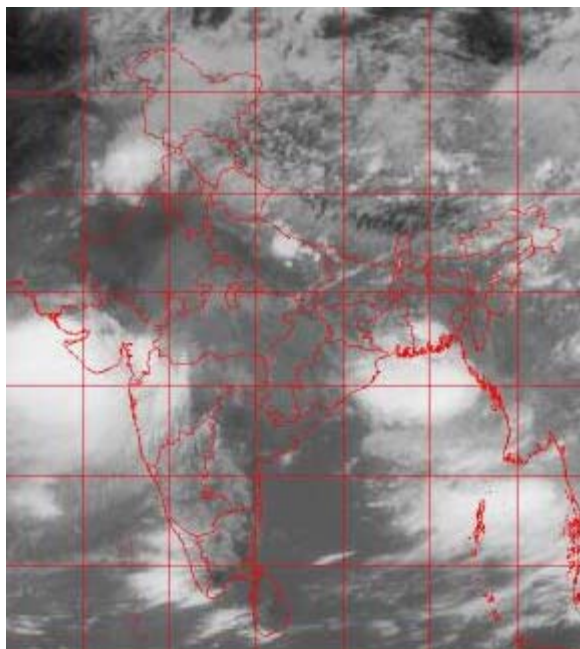
BUY MCX- July Guar Seed above 1616 with target of 1641 then 1655. Stop loss near 1603.5.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	02.07.07	30.06.07	Change
Guar Seed	Bikaner	1630-40	1620	+20
	Jodhpur	1760	1740	+20
	Nokha	1600	1590	+10
Guar Gum	Sriganganagar			
	Jodhpur	4300	4250	+50

SATELLITE IMAGE OF MONSOON PROGRESS (as on 02.07.07)



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