

GUAR DAILY

26th, July 2007

SPOT MARKETS:

Guar seed and gum spot prices were traded up on lower arrivals against the good buying support from the locals as well as exporters at major markets of Rajasthan during Wednesday's trade. However, yesterday's rainfall and overcast sky over the region could not prevent upward movement of the price due to shortage of supply. Trade sources reported that stockists are not releasing the stocks in the fear of volatility in market prices. Market sources also reported that stockists hoarded the stocks in the anticipation of the further rise of the price. Traders believe that although the rainfall is expected over the region which is favourable for the guar growing may bring bearishness in the short term but the good overseas demand will keep the price rise in the long term. Total arrivals at the major markets of Rajasthan stood at around 2000-2500 bags, remain unchanged from Monday's, and with no arrival reported in Nokha and Bikaner.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. August contract opened weak at Rs. 1717/qrtl, down of Rs. 4 against the previous close of Rs 1721/qrtl. Contract then traded up on increased buying interest at lower level and tested a high of Rs. 1749/qrtl and settled in the positive side. August contract traded in the range of Rs 1717-1749/qrtl and the July contract traded in the range of Rs 1700-1730/qrtl. In August contract open interest decreased marginally and also volume decreased marginally.

MCX Guar seed futures witnessed firm sentiment with bullish tone. The most active August contract opened slightly weak at Rs 1685/qrtl against the previous close of Rs 1685.5/qrtl. Prices remained unchanged during the whole day trade. August contract traded in the range of Rs 1685-1685/qrtl and the July contract traded in the range of Rs 1661-1684.5/qrtl. In August contract, volume declined significantly and open interest remained unchanged.

PRICE DRIVERS:

1. Normal overseas demand
2. Restricted arrivals in the market
3. Rainfall over the regions favourable for the guar crops
4. Expectation of increased acreage
5. Production may be around 10 lakh tonnes

WEATHER IMPACT:

As per IMD prediction on 25th July, scattered rain/thundershowers are likely at many places over rest of the region.

TECHNICALS:

A bullish candle has formed showing bulls' interest at lower level. However, prices closed above the 9 and 18 days EMA's showing some strength in the market. MACD is making downward movement in the neutral region. Stochastic is falling down in the neutral region. RSI has made an upward movement in the normal zone. Guar is likely to trade downwards initially following a steady weak opening with possibility of late upwards movement.

OUTLOOK:

Guar seed futures are expected to trade steady to slightly firm.

NCDEX Guar Seed August Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed August.	1689	1700	1739	1777	1787
NCDEX Guar Gum August.	4375	4390	4455	4525	4555
MCX Guar Seed August.	1620	1635	1685	1708	1720

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- August Guar Seed below 1750 with target of 1721 then 1712. Stop loss near 1768.

SELL NCDEX- August Guar Gum below 4475 with target of 4430 then 4410. Stop loss near 4500.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

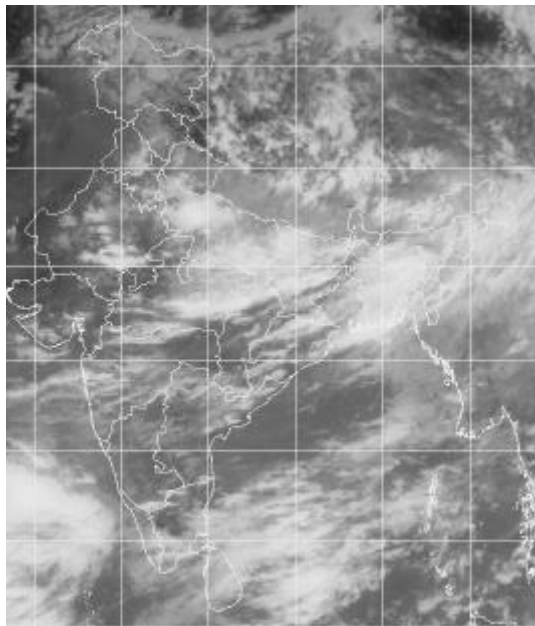
SELL MCX- August Guar Seed below 1685 with target of 1665, then 1655. Stop loss near 1695.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	25.07.07	24.07.07	Change
Guar Seed	Bikaner	1680-90	1670-80	+10
	Jodhpur	1825	1790	+35
	Nokha	1660-75	1620-30	+45
Guar Gum	Sriganganagar			
	Jodhpur	4525	4450-4475	+50

SATELLITE IMAGE OF MONSOON PROGRESS (as on 25.07.07)



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