

GUAR DAILY

31st, July 2007

SPOT MARKETS:

Amidst good physical demand against lower supply in the market the prices of both guar seed and guar gum improved at most of the major markets in Rajasthan. Good and continuously growing demand from exporters reportedly in the market on the back of strong overseas demand. Consequently, millers also remained active in the market. However, the supplies are insufficient in the market due to stockists hoarding stocks in anticipation of price rise which imparting bullishness in the market, sources reported. Meanwhile, lower stocks in warehouses and dry spell over the Rajasthan region further added firmness in the market during the Monday's trade. On other hand, dry spell over the Rajasthan region further added firmness in the market. Delay in second spell of monsoon rains means delay in sowing of the commodity which adversely affect the production. However, in some parts of Rajasthan like Sriganganagar and Hanumangarh the sowing has started after the first spell of monsoon and is in the full swing. Total arrivals at the majority of markets reportedly stood at around 2000-2500 bags. No arrivals reported in Bikaner while Nokha received the arrivals of 300 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. The most active September contract opened firm at Rs. 1780/qrtl, up of Rs. 7 against the previous close of Rs 1773/qrtl. Contract then traded up hitting 4 per cent upper circuit on renewed buying interest in early hours and tested a high of Rs 1847/qrtl. Contract finally settled at Rs 1818/qrtl due to profit booking at higher level. September contract traded in the range of Rs 1780-1847/qrtl and August contract traded in the range of Rs 1740-1804/qrtl. In September contract open interest declined while volume increased. Guar gum September contract traded in the range of Rs 4571-4720/qrtl and August contract traded in the range of Rs 4501-4617/qrtl.

MCX Guar seed futures witnessed lackluster trade with bearish undertone. September contract opened firm at Rs 1780/qrtl against the previous close of Rs 1750.5/qrtl and traded up initially testing a high of Rs 1805.0. However, contract tumbled thereafter on profit booking at higher level but managed to settle in the positive side. September contract traded in the range of Rs 1771.5-1805.0 and August contract traded in the range of Rs 1725.0-1769.5/qrtl. In September contract both volume and open interest increased.

PRICE DRIVERS:

1. Good overseas & domestic demand
2. Restricted arrivals in the market due to stockists hoarding
3. Expected Rainfall over the West Rajasthan favourable for the guar sowing
4. Expectation of increased acreage
5. Production is expected to touch 10 lakh tonnes

WEATHER IMPACT:

As per IMD prediction on 27th July, Rain/thundershowers are likely at a few places over the rest region outside West Rajasthan where it may be isolated.

TECHNICALS:

Candlestick chart pattern shows firmness in market as the closing price remains above the support level from where the prices are expected to bounce back. MACD and EMA indicating for the firmness in market. Stochastic has formed a kick back pattern and moving marginally down in neutral region while RSI is rising in the neutral region. Market is expected to remain range bound with firm bias.

OUTLOOK:

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

NCDEX Guar Seed September Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Sept.	1799	1809	1818	1860	1865
NCDEX Guar Gum Sept.	4596	4610	4625	4691	4701
MCX Guar Seed Sept.	1761	1770	1776	1812	1830

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- September Guar Seed above 1820 with target of 1840 then 1850. Stop loss near 1810.

BUY NCDEX- September Guar Gum above 4630 with target of 4660 then 4675. Stop loss near 4615.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

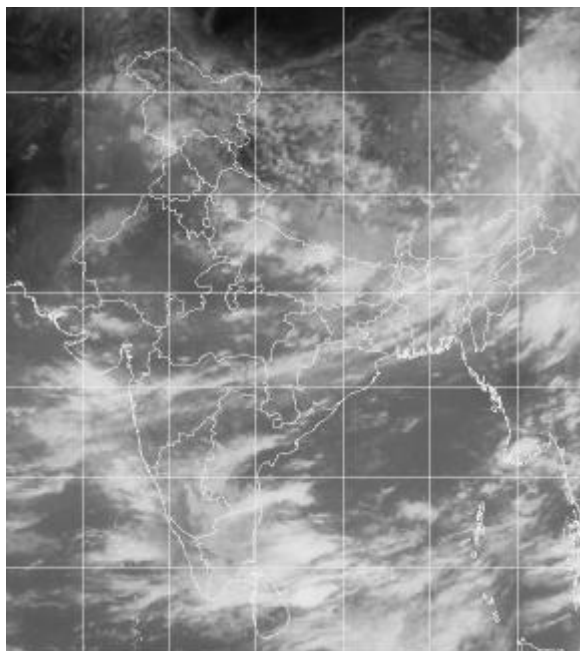
BUY MCX- September Guar Seed below 1780 with target of 1800. Stop loss near 1770.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	30.07.07	28.07.07	Change
Guar Seed	Bikaner	1725-30	1680	+50
	Jodhpur	1840-50	1800	+50
	Nokha	1690-1700	1650	+50
Guar Gum	Sriganganagar			
	Jodhpur	4625-50	4500-4525	+125

SATELLITE IMAGE OF MONSOON PROGRESS (as on 30.07.07)



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