

30th, July 2007

GUAR DAILY

SPOT MARKETS:

The prices of both guar seed and guar gum in most of the major markets of Rajasthan eased further as traders continued to offload their inventories due to the fears of rains over Rajasthan. As per the IMD, rains and thundershowers are expected over the rest part of West Rajasthan. In some parts of Rajasthan (Sriganganagar & Hanumangarh) sowing is in full swing while in rest of the part, the sowing process is likely to start after the rains. In Haryana, Gujarat and MP the sowing is almost completed and the crop is in vegetative stage at most of the Haryana and Gujarat. During the current crop season the production is expected to touch 10 lakh tonnes due to increased acreage and as well as improved per hectare yield due to favourable conditions. Further, continuously growing overseas demand reportedly in the market and consequently millers and exporters remained active in the market, sources reported. Thus, considering the above factor, prices are likely to remain range bound in short-term. However, taking into account the increasing overseas demand for guar gum and split the price are likely to remain in the stronger side despite the expectation on bumper production. Overall arrivals at the majority of markets reportedly stood at around 2000-2500 bags. No arrivals reported in Bikaner while Nokha received the arrivals of 200-300 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed lacklustre trade with bearish undertone. August contract opened weak at Rs. 1741/qrtl, down of Rs. 3 against the previous close of Rs 1744/qrtl and traded up initially testing a high of Rs 1758/qrtl. However, prices tumbled thereafter erasing the early gains on increased selling pressure and settled in the negative side at Rs 1738/qrtl. August contract traded in the range of Rs 1727-1758/qrtl. In August contract both open interest and volume declined. Guar gum August contract traded in the range of Rs 4425-4484/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. August contract opened firm at Rs 1730/qrtl against the previous close of Rs 1709.5/qrtl. Contract then traded down on increased selling pressure at higher level testing a low of Rs 1696.0 and finally settled at Rs 1701.5/qrtl. August contract traded in the range of Rs 1696-1730/qrtl. In August contract, volume declined while open interest increased marginally.

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 indecisive market. Closing prices is between the 9 and 18 days EMA's which show short term firmness. MACD remains in the neutral region. Stochastic is about to make a bullish cross over in neutral region while RSI is moving down in neutral region. Market is likely to trade range bound with firm bias.

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.	1722	1732	1738	1795	1806
NCDEX Guar Gum August.	4416	4445	4455	4554	4571
MCX Guar Seed August.	1670	1680	1707	1730	1740

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- August Guar Seed above 1747 with target of 1767 then 1777. Stop loss near 1737.

BUY NCDEX- August Guar Gum above 4475 with target of 4505 then 4525. Stop loss near 4460.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

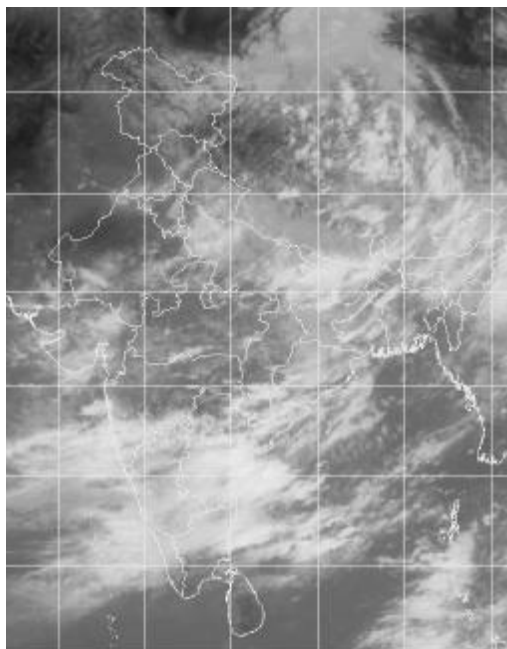
BUY MCX- August Guar Seed below 1710 with target of 1735. Stop loss near 1697.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	28.07.07	27.07.07	Change
Guar Seed	Bikaner	1680	1680-90	-10
	Jodhpur	1800	1810-20	-20
	Nokha	1650	1670	-20
Guar Gum	Sriganganagar			
	Jodhpur	4500-4525	4575	-50

SATELLITE IMAGE OF MONSOON PROGRESS (as on 28.07.07)



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