

GUAR DAILY

1st, September 2007

SPOT MARKETS:

Guar seed and guar gum prices improved at Jodhpur mandi in Rajasthan amidst good physical demand against lower arrivals, while remained unchanged in Bikaner and Nokha mandis on subdued trading activity. Good demand from millers/processors reported during the Friday's trade following demand from exporters. Sources, reported that exporters received fresh export order from China, which supported the sentiment. Further, unconfirmed reports of crop damage in few parts of Sriganganagar (Rajasthan) due to some fungal disease further aided to firmness. Meanwhile, IMD predicted for rains over South Haryana, East Rajasthan, which likely to impart bearishness in coming days as it is favourable for the crop growth and yield. This year monsoon rains are deficit in Haryana, West Rajasthan by 28 and 18 per cent. Across the spot markets, arrivals stood steady at 2000-2500 bags. No arrivals reported in Nokha and Bikaner.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded weak at NCDEX. October contract opened firm at Rs. 1814/qrtl, up Rs 6 against the previous close of Rs 1808/qrtl and traded up initially testing a high of Rs 1820/qrtl. However, prices tumbles thereafter on increased selling pressure coupled with forecast of rains over NW India, particularly Haryana and tested a low of Rs 1780/qrtl before it closes at Rs 1789/qrtl. October contract traded in the range of Rs 1780-1820/qrtl and September contract traded in the range of Rs 1746-1780/qrtl. In October contract both open interest and volume declined. Guar gum October contract traded in the range of Rs 4540-4659/qrtl and September contract traded in the range of Rs 4456-4540/qrtl.

MCX Guar seed futures traded weak. October contract opened weak at Rs 1763/qrtl against the previous close of Rs 1764.5/qrtl and traded up initially testing a high of Rs 1772/qrtl. However, tumbled thereafter on selling pressure testing a low of Rs 1748/qrtl before it closes at Rs 1754/qrtl. Volumes declined and open interest increased.

PRICE DRIVERS:

- Forecast of rainfall over Haryana, East Rajasthan.
- Unconfirmed report of crop damage in Sriganganagar
- Quality concerns over Indian guar gum
- Restricted arrivals in the market due to stockists hoarding
- Lower stock position in the market
- Good physical demand
- Acreage and production is expected to fall in Rajasthan
- Total production likely to decline marginally compare to last year

WEATHER IMPACT:

IMD predicted for rains & thundershowers over South Haryana, East Rajasthan, MP and south Gujarat.

TECHNICALS:

A long dark candlestick is formed indicating weakness in prices. MACD & EMA remains medium term bearish. Stochastic has made bullish crossover in oversold region while RSI is turned down in neutral region. Market is expected to trade range bound with weak bias.

OUTLOOK:

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

NCDEX Guar Seed October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1738	1748	1789	1793	1803
NCDEX Guar Gum Oct.	4490	4507	4568	4571	4582
MCX Guar Seed Oct.	1712	1722	1754	1760	1768

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- October Guar Seed below 1781 with target of 1766 then 1758. Stop loss near 1789.

SELL NCDEX- October Guar Gum below 4559 with target of 4534 then 4524. Stop loss near 4572.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

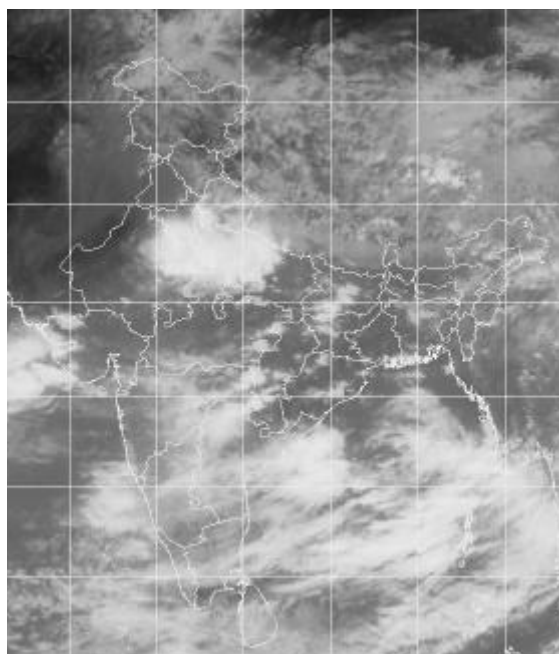
SELL MCX- October Guar Seed below 1747 with target of 1730. Stop loss near 1756.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	31.08.07	30.08.07	Change
Guar Seed	Bikaner	1680	1680	-
	Jodhpur	1810-15	1800	+15
	Nokha	1670	1670	-
Guar Gum	Sriganganagar			
	Jodhpur	4590-4600	4575	+25

SATELLITE IMAGE OF MONSOON PROGRESS (as on 31.08.07)



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd