

GUAR DAILY

25th, August 2007

SPOT MARKETS:

Guar seed and guar gum prices declined at majority of markets in Rajasthan on dull demand, as rains over the western Rajasthan affected the trading activity. Arrivals also declined due to reports of drizzles over Jodhpur district. On other hand, reports of rains over the Western & Central part of Rajasthan restricted up move and pressurized the prices, as it favours the growth and yield of guar crop. Thus, it is advisable to watch and monitor the rainfall activity as well as the acreage as the prices moves on these two factors. Also if any fresh sowing takes place after the recent rainfall over Jodhpur and Bikaner may pressurize the prices. Demand from exporters and millers remained subdued or absent in the market. Total arrivals at the various markets of Rajasthan declined from the Thursday's level of 2100 to 1900 bags. No arrivals reported in Bikaner and Nokha.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed weak sentiment with bearish undertone. October contract opened firm at Rs. 1910/qrtl, up Rs. 9 against the previous close of Rs 1901/qrtl and traded up initially testing a high of Rs 1936/qrtl. However, prices tumbles thereafter on increased selling pressure coupled with reports of drizzles over the Western Rajasthan testing a low of Rs 1892/qrtl before it closes at Rs 1893/qrtl. October contract traded in the range of Rs 1892-1936/qrtl and September contract traded in the range of Rs 1848-1886/qrtl. In October contract both open interest and volume declined. Guar gum October contract traded in the range of Rs 4760-4900/qrtl and September contract traded in the range of Rs 4660-4798/qrtl.

MCX Guar seed futures witnessed weak sentiment with bearish undertone. October contract opened firm at Rs 1880.0/qrtl against the previous close of Rs 1857.5/qrtl and traded up initially testing a high of Rs 1885.0/qrtl. However, prices tumbles thereafter on increased selling pressure testing a low of Rs 1856.0/qrtl before it closes at Rs 1863.0/qrtl. September contract traded in the range of Rs 1815.0-1849.0/qrtl.

PRICE DRIVERS:

1. Reports of rains & drizzles over the Rajasthan region
2. Quality concerns over Indian guar gum
3. Restricted arrivals in the market due to stockists hoarding
4. Lower stock position in the market
5. Insufficient rains over Rajasthan region.
6. Good physical demand
7. Acreage and production is expected to fall in Rajasthan
8. Total production likely to decline marginally or remain steady compare to last year

WEATHER IMPACT:

IMD predicted for rains / thundershowers over the Western Rajasthan in next 24 hours and decrease thereafter.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. Long upper shadow of the candlestick reflects increased selling pressure at higher level. MACD & EMA remains bullish for medium term. Stochastic and RSI is moving flat in the 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.	1843	1854	1893	1897	1909
NCDEX Guar Gum Oct.	4785	4700	4760	4766	4781
MCX Guar Seed Oct.	1827	1838	1863	1877	1889

INTRADAY TRADE RECOMMENDATION (NCDEX):

Sell NCDEX- October Guar Seed below 1889 with target of 1873 then 1866. Stop loss near 1897.

Sell NCDEX- October Guar Gum below 4750 with target of 4730 then 4720. Stop loss near 4760.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

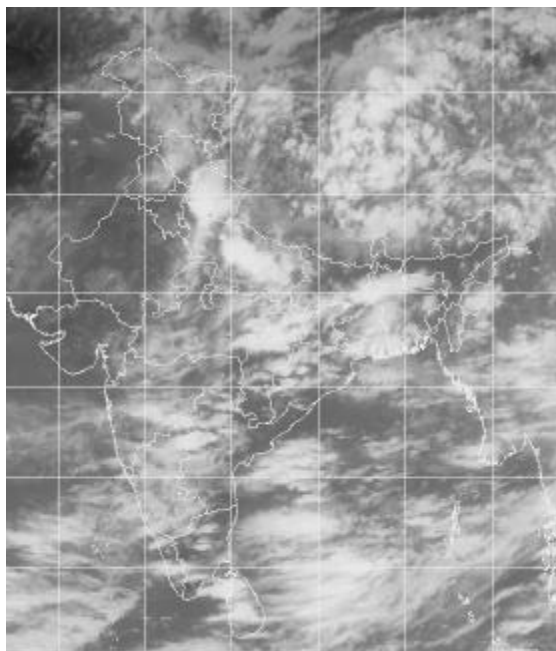
Sell MCX- October Guar Seed below 1869 with target of 1849. Stop loss near 1879.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	24.08.07	23.08.07	Change
Guar Seed	Bikaner	1790-1800	1810	-10
	Jodhpur	1840-50	1860	-10
	Nokha	1760-70	1780	-10
Guar Gum	Sriganganagar			
	Jodhpur	4750	4750-75	-25

SATELLITE IMAGE OF MONSOON PROGRESS (as on 24.08.07)



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