

GUAR DAILY

8th, August 2007

SPOT MARKETS:

Guar seed and guar gum prices in Jodhpur market improved during the Tuesday's trade on some demand from millers against lower arrival, while the prices of guar seed remained unchanged on subdued trading activity. Demand for the by-product of guar seed (Churi and Korma) reported in the market and consequently demand from processors witnessed in the market. Sources reported that the Jaiselmer district received overnight heavy rains on 7th August and sowing of the commodity is started there from the very next morning. There are also reports of drizzles in some other parts of Rajasthan like (Nokha, Bikaner, Sriganganagar, Hanumangarh etc.). Also IMD predicted for rains over the South Rajasthan on August 8th onwards. Thus, considering the above factors prices are expected remains weak. Total arrivals at the most of the major markets in Rajasthan further declined marginally and stood at around 2000-2100 bags.

FUTURES MARKETS (NCDEX & MCX):

NCDEX Guar seed futures witnessed firm sentiment with bullish tone. The most active September contract opened weak at Rs. 1698/qrtl, down Rs. 1 against the previous close of Rs 1699/qrtl and traded down initially testing a low of Rs 1695/qrtl. However, prices recovered thereafter on renewed buying interest testing a high of Rs 1728/qrtl before it closes at Rs 1724/qrtl. September contract traded in the range of Rs 1695-1728/qrtl and August contract traded in the range of Rs 1665-1691/qrtl. In September contract both open interest and volume increased. Guar gum September contract traded in the range of Rs 4340-4409/qrtl and August contract traded in the range of Rs 4219-4320/qrtl.

MCX Guar seed futures witnessed firm sentiment with bullish tone. September contract opened firm with a gap up at Rs 1691.0/qrtl against the previous close of Rs 1666.5/qrtl and traded down initially testing a low of Rs 1665.0/qrtl. However, prices recovered thereafter on renewed buying interest testing a high of Rs 1700.5 before it closes at Rs 1694.0/qrtl. August contract traded in the range of Rs 1650.0-1668.0/qrtl.

PRICE DRIVERS:

1. Quality concerns over Indian guar gum
2. Restricted arrivals in the market due to stockists hoarding
3. Forecast of rains over 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, Rains are likely over Rajasthan on August 8th onwards.

TECHNICALS:

A long hollow candlestick is from which indicate firmness in market. MACD and EMA remain bearish for medium-term. Stochastic moving flat in the oversold zone. So bounce back from these levels cannot be ruled out. RSI turned up in the neutral region. Market is expected to trade range bound with firm bias.

OUTLOOK:

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

NCDEX Guar Seed September Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Sept.	1705	1714	1724	1773	1788
NCDEX Guar Gum Sept.	4386	4394	4395	4492	4514
MCX Guar Seed Sept.	1694	1706	1694	1755	1763

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- September Guar Seed above 1730 with target of 1750 then 1760. Stop loss near 1720.

BUY NCDEX- September Guar Gum above 4420 with target of 4450 then 4465. Stop loss near 4405.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

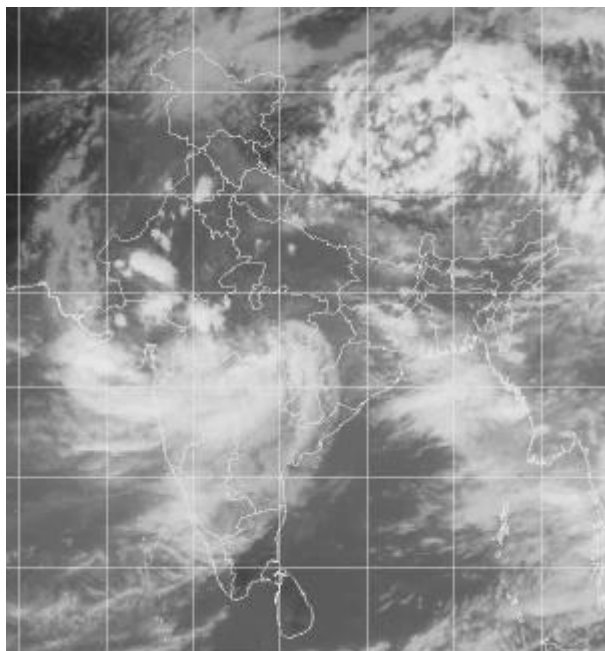
BUY MCX- September Guar Seed above 1720 with target of 1740. Stop loss near 1710.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	07.08.07	06.08.07	Change
Guar Seed	Bikaner	1670-80	1680	-
	Jodhpur	1770-80	1750-60	+20
	Nokha	1660-65	1660-65	-
Guar Gum	Sriganganagar			
	Jodhpur	4425-50	4375-4400	+50

SATELLITE IMAGE OF MONSOON PROGRESS (as on 07.08.07)



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