

GUAR DAILY

11th, September 2007

SPOT MARKETS:

Guar seed and gum prices across the major markets in Rajasthan stood steady at Saturday's level on routine demand - supply situation. Some demand from exporters and millers reported in the market, which supported the sentiment. However, increased arrivals on the back of fresh arrivals in Sriganganagar markets restricted the upside in prices. Arrivals in Sriganganagar markets reported at around 1300-1500 (including some old stock). Overall arrivals increased marginally from the Saturday's level of 3800-4000 bags to 4000-4200 bags. Bikaner and Nokha markets witnessed the arrivals of around 100-150 bags each. Further, sources reported of drizzles over Jaipur district, which further restricted the upside in prices. It was also reported that the recent rains over Haryana are not satisfactory for the crop yield and consequently may result into lower production. In coming days prices move on speculation over crop damage and production estimates. So, keep a close look over both the factors.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded range bound with bearish undertone at NCDEX. October contract opened firm at Rs. 1790/qrtl, up Rs 7 against the previous close of Rs 1783/qrtl and traded up initially testing a high of Rs 1813/qrtl. However, prices skid thereafter erasing all the early gain on selling pressure at higher level and tested a low of Rs 1765/qrtl before it closes at Rs 1774/qrtl. September contract traded in the range of Rs 1733-1777/qrtl. Guar gum October contract traded in the range of Rs 4541-4638/qrtl and September contract traded in the range of Rs 4481-4564/qrtl.

MCX Guar seed futures traded weak. October contract opened firm at Rs 1755.0/qrtl against the previous close of Rs 1746.5/qrtl. Contract then traded down on increased selling pressure testing a low of Rs 1741.5/qrtl and finally closed at its days low.

PRICE DRIVERS:

- Reports of drizzles over Jaipur (Rajasthan)
- Reports of insufficient rains over Haryana
- Mild demand from millers & exporters
- Fresh arrivals started in Sriganganagar & few parts in Haryana
- Quality concerns over Indian guar gum
- Lower stock position in the market
- 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 over West Rajasthan.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. MACD and EMA remain weak for the medium term. Both Stochastic and RSI is moving down 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.	1737	1746	1774	1792	1803
NCDEX Guar Gum Oct.	4500	4514	4560	4572	4590
MCX Guar Seed Oct.	1707	1714	1741.5	1755	1764

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- October Guar Seed below 1778 with target of 1764 then 1757. Stop loss near 1786.

SELL NCDEX- October Guar Gum below 4561 with target of 4541 then 4531. Stop loss near 4571.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

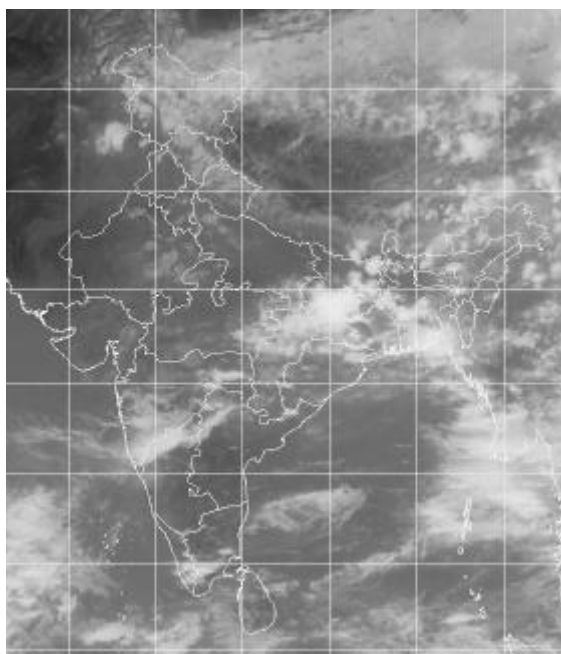
SELL MCX- October Guar Seed below 1739 with target of 1724. Stop loss near 1747.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	10.09.07	08.09.07	Change
Guar Seed	Bikaner	1715	1715	-
	Jodhpur	1820	1810-20	-
	Nokha	1710	1710	-
Guar Gum	Sriganganagar	1690	1690	-
	Jodhpur	4625	4625	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 10.09.07)



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