

GUAR DAILY

12th, September 2007

SPOT MARKETS:

Guar spot market ruled firm during Tuesday's trade on the back of good demand from millers and exporters against marginally lower arrival. At Jodhpur market guar seed and gum prices went up by Rs 15 and Rs 75. Bikaner, Nokha and Sriganganagar also witnessed increase in prices by Rs 10 each compared to Monday's. Further, talks of lower production in Pakistan coupled with reports of crop damage in Haryana supported the sentiment. Sources reported that the production in Pakistan is expected to be lower this year compared to last year's. It was also reported that storm and rains in Northern Rajasthan and Punjab on Sept. 10th may harm the maturing crops. Though, there are still no reports of crop damage in Northern Rajasthan. Meanwhile, EU deferred the visit of India to early next month, while the local authorities will work to identify the source of contamination in guar gum. Arrivals in Sriganganagar markets declined from the previous level of 1300-1500 to around 700-800 bags, as rains affected the arrivals. Overall arrivals declined from Monday's level of 4000-4200 bags to around 3500 bags. Bikaner and Nokha markets witnessed the arrivals of around 125-150 bags each.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded firm at NCDEX. October contract opened firm at Rs. 1780/qrtl, up Rs 6 against the previous close of Rs 1774/qrtl and traded down in early session of trade to test a low of Rs 1763/qrtl. However, prices recovered thereafter on renewed buying interest testing a high of Rs 1815/qrtl before it closes at Rs 1795/qrtl. September contract traded in the range of Rs 1734-1779/qrtl. Guar gum October contract traded in the range of Rs 4542-4654/qrtl and September contract traded in the range of Rs 4485-4655/qrtl.

MCX Guar seed futures traded firm. October contract opened weak at Rs 1733.0/qrtl against the previous close of Rs 1750.5/qrtl and traded down initially testing a low of Rs 1721.0/qrtl. However, recovered thereafter on renewed buying interest testing a high of Rs 1766.0/qrtl before it closes at Rs 1752.0/qrtl.

PRICE DRIVERS:

- Reports of storm & rains over Northern Rajasthan & Punjab
- Expectation of lower production in Pakistan
- Reports of insufficient rains & crop damage in Haryana
- Good 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
- Total production likely to decline marginally compare to last year

WEATHER IMPACT:

Rains & storm over Northern Rajasthan besides drizzles over Western Rajasthan.

TECHNICALS:

Candlestick chart pattern shows firmness in prices. EMA remain weak for the short-term. MACD is flat in negative zone. Stochastic is moving down while RSI is heading upward 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 October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------------------|------|------|------|------|------|
| NCDEX Guar Seed Oct. | 1783 | 1790 | 1795 | 1830 | 1840 |
| NCDEX Guar Gum Oct. | 4600 | 4612 | 4610 | 4673 | 4688 |
| MCX Guar Seed Oct. | 1741 | 1751 | 1752 | 1786 | 1795 |

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1799 with target of 1814 then 1821. Stop loss near 1791.

BUY NCDEX- October Guar Gum above 4626 with target of 4648 then 4658. Stop loss near 4637.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

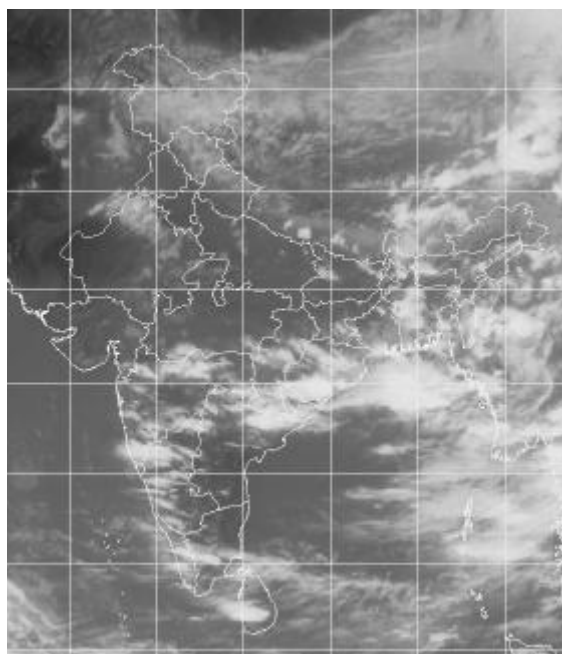
BUY MCX- October Guar Seed below 1760 with target of 1775. Stop loss near 1752.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

| Commodity | Centres | 11.09.07 | 10.09.07 | Change |
|-----------|---------------|----------|----------|--------|
| Guar Seed | Bikaner | 1725 | 1715 | +10 |
| | Jodhpur | 1830-35 | 1820 | +15 |
| | Nokha | 1720 | 1710 | +10 |
| Guar Gum | Sriganganagar | 1700 | 1690 | +10 |
| | Jodhpur | 4675 | 4625 | +50 |

SATELLITE IMAGE OF MONSOON PROGRESS (as on 11.09.07)



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