

GUAR DAILY

18th, September 2007

SPOT MARKETS:

Guar seed and gum prices remained unchanged at Friday's level on routine demand-supply situation. Good demand from millers / processors and mild demand from exporters at lower prices supported the sentiment. Recent rainfall over Northern Rajasthan particularly Sriganganagar further restricted the downside due to quality concerns of harvested seed as well as damage to the maturing crop. Lower arrivals across the markets in Rajasthan also supported the sentiment. Arrivals at Sriganganagar market stood at 700-800 bags (including some old stock of 300-400 bags). Overall arrivals stood at around 2800-3000 bags with no arrivals reported at Bikaner and Nokha markets. However, recent rains over Haryana restricted the upside. The rains are required at the moment for the revival of crop but the yield is likely to be lower this year due to delayed rains as well as more vegetative growth of the crop, source reported. Prices are expected to remain range bound in coming days.

FUTURES MARKETS (NCDEX & MCX):

The October contract for Guar seed futures traded range bound with bearish undertone. The October contract for Guar seeds at NCDEX opened weak at Rs 1775/qrtl, Rs 7 down from the previous close of Rs 1782/qrtl and traded down initially testing a low of Rs 1761/qrtl. However, prices recovered thereafter on renewed buying interest testing a high of Rs 1789/qrtl before it closes at Rs 1782/qrtl. September contract traded in the range of Rs 1736-1757/qrtl. Guar gum October contract traded in the range of Rs 4550-4650/qrtl and September contract trade in a range of Rs 4495-4535/qrtl.

The October contract for MCX Guar seed futures traded weak on predominant selling interest. The futures opened at Rs 1725/qrtl against previous close of Rs 1729.5/qrtl. The futures remained unchanged at 1725/qrtl.

PRICE DRIVERS:

- Quality concerns over harvested seeds in Sriganganagar (Rajasthan) as well as crop damage due to heavy rains
- Recent rains over Haryana
- Yield may get affected in Haryana
- Expectation of lower production in Pakistan
- 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:

IMD predicted for scattered rains / thundershowers over NW India.

TECHNICALS:

Candlestick chart pattern shows firmness in prices. EMA and MACD remain weak for the medium-term. Both Stochastic and RSI are flat in the neutral region. Range bound / sideways movement is expected in the market with possibility steady to slightly firm opening.

OUTLOOK:

Guar seed futures are expected to trade sideways with weak bias.

NCDEX Guar Seed October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1752	1758	1782	1808	1815
NCDEX Guar Gum Oct.	4531	4543	4590	4600	4610
MCX Guar Seed Oct.	1682	1696	1725	1741	1755

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- October Guar Seed above 1794 with target of 1779 then 1771. Stop loss near 1802.

SELL NCDEX- October Guar Gum above 4586 with target of 4568 then 4559. Stop loss near 4596.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

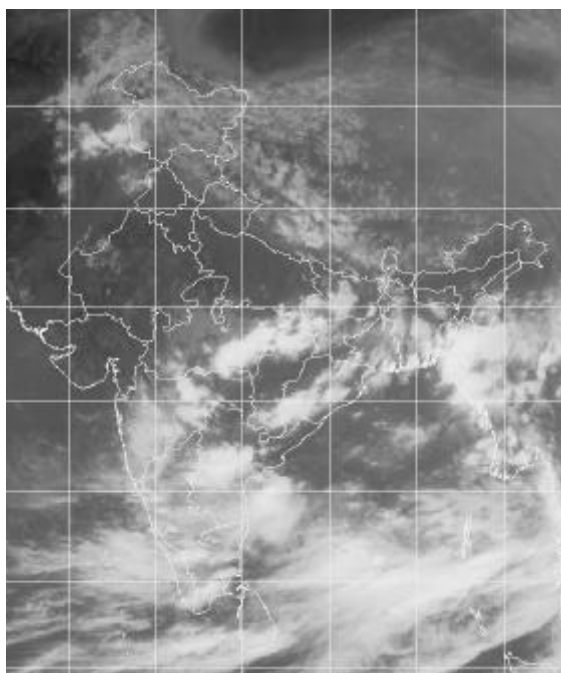
SELL MCX- October Guar Seed above 1730 with target of 1715. Stop loss near 1737.5.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	17.09.07	14.09.07	Change
Guar Seed	Bikaner	1710-15	1710-15	-
	Jodhpur	1810	1805-1810	-
	Nokha	1730	1730	-
Guar Gum	Sri Ganganagar	1690-1700	1690-1700	-
	Jodhpur	4625-50	4625-4650	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 17.09.07)



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