

■ GUAR SEED

■ 1st, Oct. 2007

SPOT MARKETS:

Amidst weak physical demand against improved arrivals in the market both guar seed and gum prices declined across the markets in Rajasthan. Guar seed prices declined by Rs 25-40 at Jodhpur, Bikaner, Sri Ganganagar and Nokha compared to Friday's. At Jodhpur, guar gum declined by Rs 100. Fresh arrivals increased in Sriganganagar markets at around 1400-1500 bags, but 80-90 per cent of arrivals are of inferior quality and farmers are selling it at a discount which weighing heavily on prices, reported. Arrivals across the markets improved from 3,800 bags to around 3,800-4000 bags. Bikaner and Nokha received the arrival of 150-200 bags each. Mild demand from millers reported in the market while exporters remained silent or absent during the Saturday's trade.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded weak at NCDEX. The November contract for Guar seeds opened weak at Rs 1704/qtl, Rs 4 down from the previous closing of Rs 1708/qtl and traded up initially testing a high of Rs 1711/qtl. However, prices tumbled thereafter on increased selling pressure testing a low of Rs 1678/qtl before it closed at Rs 1688/qtl. November contract traded in the range of Rs 1678-1711/qtl and October contract traded in the range of Rs 1654-1684/qtl. Guar gum November contract traded in the range of Rs 4311-4389/qtl and October contract traded in the range of Rs 4240-4312/qtl.

PRICE DRIVERS:

- Total acreage in Rajasthan is estimated at 2.14 mln ha compared to last year's 2.81 mln ha.
- EU begins accepting guar gum consignment
- Unconfirmed report that Haryana govt. exempting VAT on guar seed and gum from Oct 1st
- Quality concerns over harvested seeds as well as maturing crop in Sriganganagar due to recent rains
- Reports of lower yield in Haryana & Rajasthan
- Expectation of lower production in Pakistan
- Good demand from millers & exporters
- Fresh arrivals started in Sriganganagar
- Lower stock position in the market

WEATHER IMPACT:

IMD predicted for withdrawal of SW monsoon over parts of Rajasthan and NW India.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. MACD and EMA remain weak for the medium-term. Stochastic is moving flat in the oversold region while RSI is heading down in the oversold zone. So a bounce back cannot be ruled out. Market is expected to trade range bound with weak bias with possibility of late upward movement.

OUTLOOK:

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

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Nov.	1650	1660	1688	1695	1702
NCDEX Guar Gum Nov.	4290	4300	4333	4350	4363
MCX Guar Seed Nov.	1648	1655	1655	1700	1710

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- November Guar Seed below 1685 with target of 1675 then 1670. Stop loss near 1690.

SELL NCDEX- November Guar Gum below 4330 with target of 4310. Stop loss near 4340.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- November Guar Seed below 1685 with target of 1665. Stop loss near 1695.

Do not carry forward the position until the next day.

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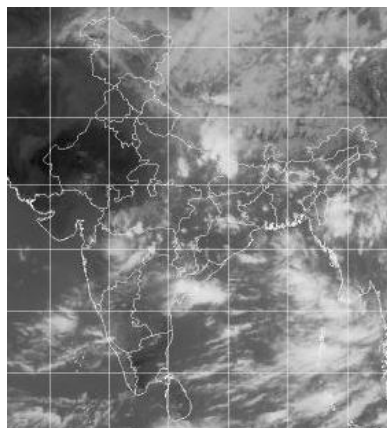
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	29.09.07	28.09.07	Change
Guar Seed	Bikaner	1625-30	1650-55	-25
	Jodhpur	1740-50	1780-90	-40
	Nokha	1645	1665-75	-30
Guar Gum	Sri Ganganagar	1625	1650	-25
	Jodhpur	4350-75	4450-75	-100

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1680	1684	1654	1661	1680	-19
	November	1704	1711	1678	1688	1708	-20
	December	1738	1742	1708	1720	1740	-20
Guar Gum	October	4303	4312	4240	4250	4300	-50
	November	4384	4389	4311	4333	4380	-47
	December	4450	4450	4388	4400	4460	-60

**SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 29.09.07)**



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