

GUAR DAILY

3rd, September 2007

SPOT MARKETS:

Both guar seed and guar gum prices improved at most of the mandis in Rajasthan on good physical demand. Guar seed prices at Jodhpur went up to Rs 25 and guar gum prices Rs 75 compared to Friday's level. Bikaner and Nokha also witnessed increase in prices by Rs 20 and 10 respectively. Sources reported that good demand from processors / millers and exporters supported the sentiment. Reports of insufficient rains over Haryana and expectation of lower production this year coupled with unconfirmed report of crop damage due to some fungal disease in Sriganganagar (Rajasthan) further aided to the firmness. Overall arrivals across the spot markets stood steady at 2000-2500 bags. Bikaner and Nokha received the arrivals of 100-150 bags each. Meanwhile, IMD predicted for rains & thundershowers over West Rajasthan, which may restrict the up move of prices.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded firm at NCDEX. October contract opened firm at Rs. 1798/mt, up Rs 6 against the previous close of Rs 1792/mt and traded down initially testing a low of Rs 1793/mt. However, prices recovered thereafter on renewed buying interest testing a high of Rs 1829/mt before it closes at Rs 1827/mt. September contract traded in the range of Rs 1762-1788/mt. Guar gum October contract traded in the range of Rs 4595-4660/mt and September contract traded in the range of Rs 4497-4567/mt.

MCX Guar seed futures traded firm. October contract opened firm at Rs 1773/mt against the previous close of Rs 1760.5/mt. Contract then traded up on renewed buying interest testing a high of Rs 1785.5/mt before it closes at Rs 1783.5/mt.

PRICE DRIVERS:

- Forecast of rains over West Rajasthan.
- Reports of insufficient rains over Haryana
- Unconfirmed report of crop damage in Sriganganagar
- Quality concerns over Indian guar gum
- Restricted arrivals in the market due to stockists hoarding
- Lower stock position in the market
- Good physical demand
- 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 & thundershowers West Rajasthan.

TECHNICALS:

A long hollow candlestick is formed breaking the resistance at 1823 level indicating firmness in prices. Prices closed between the 9 and 18 days EMA indicating short-term firmness. MACD heading up in negative region. Stochastic entered into the neutral region. RSI is also heading up in 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.	1812	1821	1827	1863	1872
NCDEX Guar Gum Oct.	4625	4641	4655	4735	4750
MCX Guar Seed Oct.	1773	1781	1783.5	1818	1827

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1833 with target of 1849 then 1856. Stop loss near 1825.

BUY NCDEX- October Guar Gum above 4676 with target of 4703 then 4715. Stop loss near 4662.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

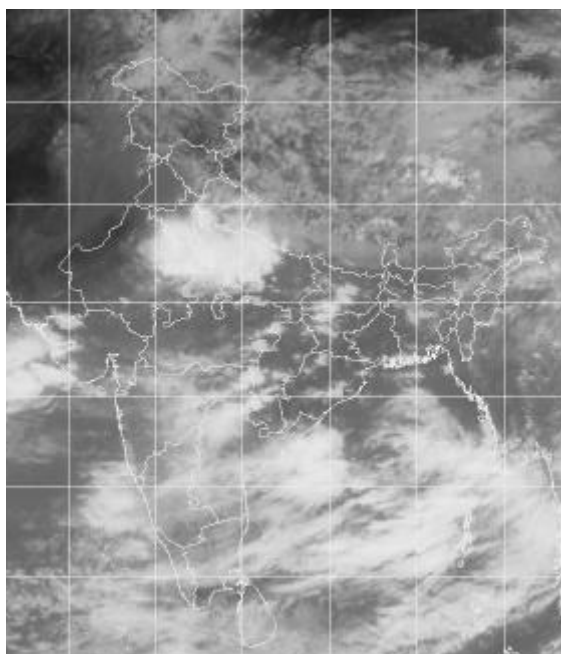
BUY MCX- October Guar Seed above 1793 with target of 1808. Stop loss near 1785.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	01.09.07	31.08.07	Change
Guar Seed	Bikaner	1690-1700	1680	+20
	Jodhpur	1830-40	1810-15	+25
	Nokha	1680	1670	+10
Guar Gum	Sriganganagar			
	Jodhpur	4650-75	4590-4600	+75

SATELLITE IMAGE OF MONSOON PROGRESS (as on 01.09.07)



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