

GUAR DAILY

17th, September 2007

SPOT MARKETS:

Around 300-400 bags were reported in Nokha region elsewhere arrivals stood steady. Shedding previous day's gains, the spot prices of guar seeds declined considerably on Friday on reports of rains over Guar growing regions in Rajasthan. Following it, traders were concerned on quality issue also as rains during harvest hamper quality of the seeds harvested. Prices of Guar seed softened by Rs 10-20/qttl across Bikaner, Jodhpur, Nokha and Sri Ganganagar markets. However guar gum prices in Jodhpur stood range bound. As per market observers, "until the contamination issue with EU gets resolved the export sentiments for guar gum are likely to remain subdued". However, talks of lower than estimated production of guar seeds this season may underpin prices.

FUTURES MARKETS (NCDEX & MCX):

The October contract for Guar seed futures traded with subdued sentiments on lack of fresh buying support. The October contract for Guar seeds at NCDEX opened at previous closing levels of Rs 1785/qttl and touched the lows of Rs 1772/qttl. The guar gum futures witnessed narrow range bound trading with weak bias. The Guar gum futures [October contract] opened firm at Rs 4610/qttl against the previous close of Rs 4608/qttl and tested the lows of Rs 4580/qttl. October contract traded in the range of Rs 4580-4612/qttl. The September contract trade in a range of Rs 4511-4540/qttl levels.

The October contract for MCX Guar seed futures traded weak on predominant selling interest. The futures opened at Rs 1735/qttl against previous close of Rs 1747.5/qttl. The futures touched the lows of Rs 1726/qttl.

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:

Reports of scattered rainfall likely over North West Rajasthan.

TECHNICALS:

Prices closed indecisive amidst narrow range bound trade activity. EMA and MACD pattern shows bearishness. Stochastic is turning flat in neutral region while RSI is seen dipping in neutral region. Both volumes and open interest declined.

OUTLOOK:

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

NCDEX Guar Seed October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1730	1747	1783	1791	1798
NCDEX Guar Gum Oct.	4520	4531	4607	4620	4645
MCX Guar Seed Oct.	1685	1693	1726	1733	1740

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- October Guar Seed above 1780 with target of 1767 then 1757. Stop loss near 1786.

SELL NCDEX- October Guar Gum above 4596 with target of 4575 then 4656. Stop loss near 4607.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

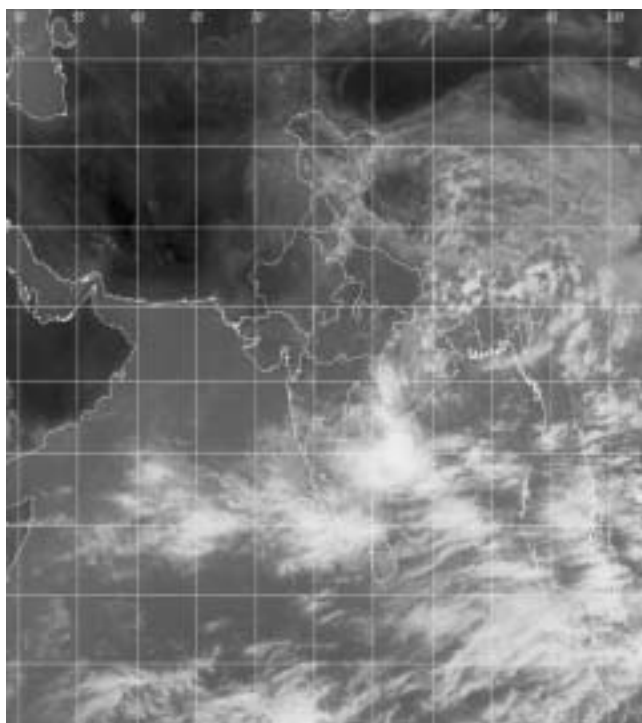
SELL MCX- October Guar Seed above 1721 with target of 1703. Stop loss near 1728.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	14.09.07	13.09.07	Change
Guar Seed	Bikaner	1710	1725-1730	-20
	Jodhpur	1805-1810	1825	-15
	Nokha	1730-1740	1740-1750	-10
Guar Gum	Sri Ganganagar	1690-1700	1715	-15
	Jodhpur	4625-4650	4650	0

SATELLITE IMAGE OF MONSOON PROGRESS (as on 14.09.07)



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