

GUAR DAILY

14th, September 2007

SPOT MARKETS:

Reports of continuous rains over North Rajasthan; especially over Sri Ganganagar regions has not only delayed arrivals of guar seeds but caused sufficient damage to the standing crops thereby affecting quality of seeds and loss to already harvested crops. However, rains are found to be good for late maturing variety of guar crops. Guar seed prices at Bikaner, Nokha and Sriganaganagar firmed up by Rs 15, Rs 40 and Rs 25 per qtl respectively. At Jodhpur market guar gum prices stood steady at previous day's levels. However, talks of lower production in Pakistan restricted the downside. Good demand from millers reported in the market. Arrivals in Sri Ganganagar markets declined from the previous level of 400-500 bags to around 300-400 bags. Overall arrivals stood at 2800-3000 bags from previous days levels of 3000-3200 bags. Market observers believe that guar seed prices across spot and futures market are likely to trade with firm bias on reports of lower production which in turn may underpin prices of guar gum.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded weak on predominant selling interest. The market expects that good buying support during later half of trading is expected to see guar futures trade slightly steady to firm. The October contract for Guar seeds at NCDEX opened up firm at Rs 1805/qtl against previous close of Rs 1798/qtl but declined steadily to touch the lows of Rs 1772/qtl. The Guar gum futures [October contract] opened firm at Rs 4630/qtl against the previous close of Rs 4624/qtl and tested the lows of Rs 4569/qtl. October contract traded in the range of Rs 4569-4633/qtl. A close near the session high indicates that prices are likely to open up firm and trade on slightly higher side.

MCX Guar seed futures remained standstill at the previous levels in a lack luster trade on Thursday. October contract traded at Rs 1747.5/qtl.

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 Sriganaganagar & 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 rainfall over Northern Rajasthan.

TECHNICALS:

Candlestick chart pattern shows slight tentativeness in prices with good buying support at lower levels as seen from a prominent lower shadow of the dark candlestick. MACD is moving down in negative zone. Stochastic is seen recovering in oversold region while RSI dipped lower in neutral region.

OUTLOOK:

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

NCDEX Guar Seed October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1768	1778	1785	1817	1830
NCDEX Guar Gum Oct.	4568	4586	4608	4665	4680
MCX Guar Seed Oct.	1730	1740	1747.5	1770	1780

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1790 with target of 1803 then 1810. Stop loss near 1784.

BUY NCDEX- October Guar Gum above 4617 with target of 4634 then 4648. Stop loss near 4605.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

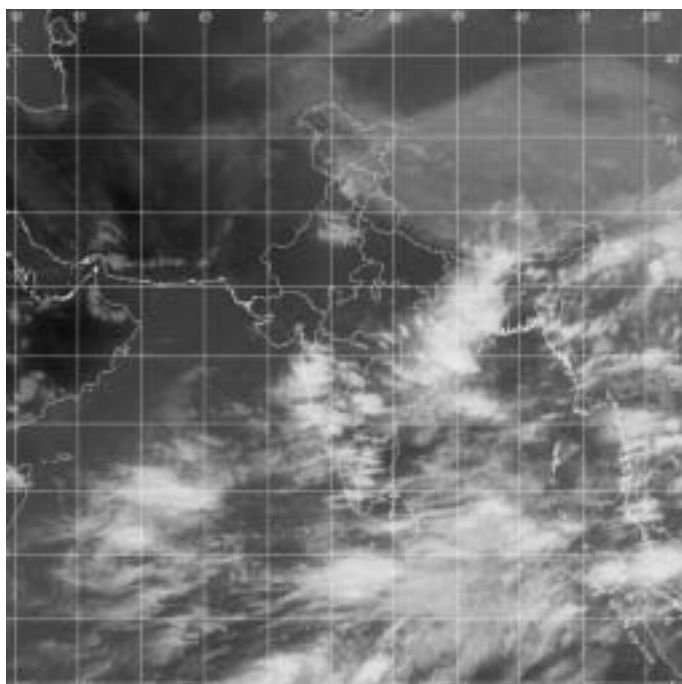
BUY MCX- October Guar Seed above 1750 with target of 1763. Stop loss near 1742.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	13.09.07	12.09.07	Change
Guar Seed	Bikaner	1725-1730	1715	+15
	Jodhpur	1825	1825	0
	Nokha	1740-1750	1710	+40
Guar Gum	Sri Ganganagar	1715	1690	+25
	Jodhpur	4650	4650	0

SATELLITE IMAGE OF MONSOON PROGRESS (as on 13.09.07)



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