

GUAR DAILY

19th, September 2007

SPOT MARKETS:

Guar seed prices quoted up across the major mandis in Rajasthan on good demand from millers / processors against steady arrivals coupled with expectation of revival of exports to EU soon. Guar seed prices at Bikaner, Jodhpur, Sriganganagar and Nokha markets went up by Rs 10-20 compared to the Monday's. At Jodhpur market guar gum prices remained unchanged during the Tuesday's trade on subdued trading activity. Sources reported that the exporters are optimistic that the EU may lift guar gum import ban within a month. Their optimism comes on the back of tests conducted on several guar gum samples in the EU labs, which showed no signs of toxins (dioxin & pentachlorophenol), which supported the sentiment. However, it was reported that a team of experts from EU is expected to arrive on early next month to fix the quality specification of guar gum to be exported and may also check the testing facilities. Thus, some firmness is expected in coming days. Meanwhile, forecast of rains over NW India and West Rajasthan would restrict the upside in prices. Arrivals across the markets in Rajasthan stood steady at Monday's level of 2800-3000 bags. Fresh arrivals at Sriganganagar stood at 700-800 bags.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded firm at NCDEX. The October contract for Guar seeds opened at its previous close of Rs 1784/mt and traded down initially testing a low of Rs 1780/mt. However, prices recovered thereafter on renewed buying interest testing a high of Rs 1800/mt before it closed at Rs 1789/mt. September contract traded in the range of Rs 1751-1765/mt. Guar gum October contract traded in the range of Rs 4590-4623/mt and September contract trade in a range of Rs 4434-4550/mt.

PRICE DRIVERS:

- Quality concerns over harvested seeds as well as maturing crop in Sriganganagar due to recent heavy rains
- Forecast of rains over NW India & West Rajasthan
- Reports of lower yield in Haryana & Rajasthan
- Expectation of lower production in Pakistan
- Good demand from millers & exporters
- Fresh arrivals started in Sriganganagar & few parts in Haryana
- EU may soon lift guar gum import ban
- Lower stock position in the market
- Total production likely to decline marginally compare to last year

WEATHER IMPACT:

IMD predicted for rains / thundershowers over NW India & outside the West Rajasthan.

TECHNICALS:

Candlestick chart pattern shows indecisive market. MACD and EMA remain weak for the medium-term. MACD is flat in the negative region. Stochastic and RSI are moving up in the neutral region. A range bound and sideways movement is expected in the market with possibility of steady to slightly weak opening.

OUTLOOK:

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

NCDEX Guar Seed October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1765	1774	1789	1815	1820
NCDEX Guar Gum Oct.	4542	4566	4600	4636	4649
MCX Guar Seed Oct.	1720	1729	1744	1764	1772

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1783 with target of 1798 then 1806. Stop loss near 1775.

BUY NCDEX- October Guar Gum above 4583 with target of 4603 then 4613. Stop loss near 4573.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

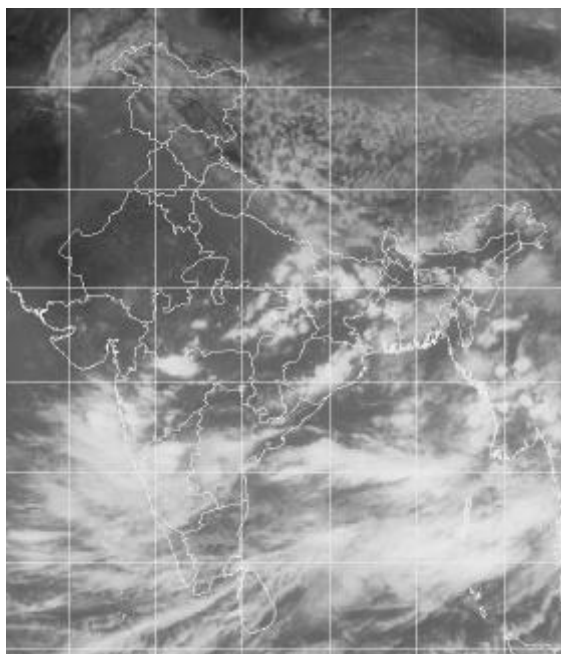
BUY MCX- October Guar Seed above 1740 with target of 1755. Stop loss near 1732.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	18.09.07	17.09.07	Change
Guar Seed	Bikaner	1725	1710-15	+10
	Jodhpur	1820-30	1810	+20
	Nokha	1730-40	1730	+10
Guar Gum	Sri Ganganagar	1700-10	1690-1700	+10
	Jodhpur	4650	4625-50	Nil

SATELLITE IMAGE OF MONSOON PROGRESS (as on 18.09.07)



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd