

GUAR DAILY

8th, September 2007

SPOT MARKETS:

Amidst reports of rainfall over Rajasthan and drizzles over few parts of Haryana coupled with improved arrivals, guar spot prices declined further across the major markets in Rajasthan. Guar seed prices at Jodhpur and Sriganganagar markets declined by Rs 30 and Rs 25. Guar gum prices at Jodhpur declined by Rs 50. Bikaner and Nokha also witnessed decline in prices by Rs 10 each. Sources reported that these rains are helpful for the crop in Haryana and to some extent in Rajasthan. However, continuing rainfall over Northern Rajasthan may harm the crop as guar is susceptible to water logging. Demand from millers and exporters remained subdued to silent in the market. Arrivals across the markets in Rajasthan improved further from the Thursday's level of 4000-4200 bags to 4000-4500 bags on the back of fresh arrivals in Sriganganagar. Sriganganagar received the arrivals of around 1300-1500 bags (including some old stocks). No arrivals reported in Bikaner whereas Nokha received the arrivals of around 100-150 bags mainly from stockists.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded weak at NCDEX. October contract opened weak at Rs. 1801/ctl, down Rs 11 against the previous close of Rs 1812/ctl. Contract then traded down on increased selling pressure and coupled with reports of rainfall over Northern, Western and Central Rajasthan and tested a low of Rs 1757/ctl before it closes at Rs 1781/ctl on renewed buying and profit taking. September contract traded in the range of Rs 1727-1765/ctl. Guar gum October contract traded in the range of Rs 4525-4580/ctl and September contract traded in the range of Rs 4460-4515/ctl.

MCX Guar seed futures traded weak. October contract opened weak at Rs 1742.5/ctl against the previous close of Rs 1761.0/ctl. Contract then traded down on increased selling pressure testing a low of Rs 1725.0/ctl before it closes at Rs 1742.5/ctl on renewed buying and profit taking.

PRICE DRIVERS:

- Reports of overnight rains over Rajasthan besides drizzles in Haryana.
- Forecast of rainfall over East Rajasthan
- Fresh arrivals started in Sriganganagar & few parts in Haryana
- Quality concerns over Indian guar gum
- Lower stock position in the market
- Weak 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 over West Rajasthan.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. MACD and EMA remain weak for the medium term. Stochastic has bearish crossover in neutral region and RSI is moving down in the neutral region. Market is expected to trade range bound with weak bias.

OUTLOOK:

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

NCDEX Guar Seed October Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Oct.	1737	1746	1781	1790	1804
NCDEX Guar Gum Oct.	4490	4500	4570	4588	4595
MCX Guar Seed Oct.	1694	1705	1740	1741	1755

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- October Guar Seed below 1778 with target of 1764 then 1757. Stop loss near 1785.

SELL NCDEX- October Guar Gum below 4560 with target of 4540 then 4530. Stop loss near 4570.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

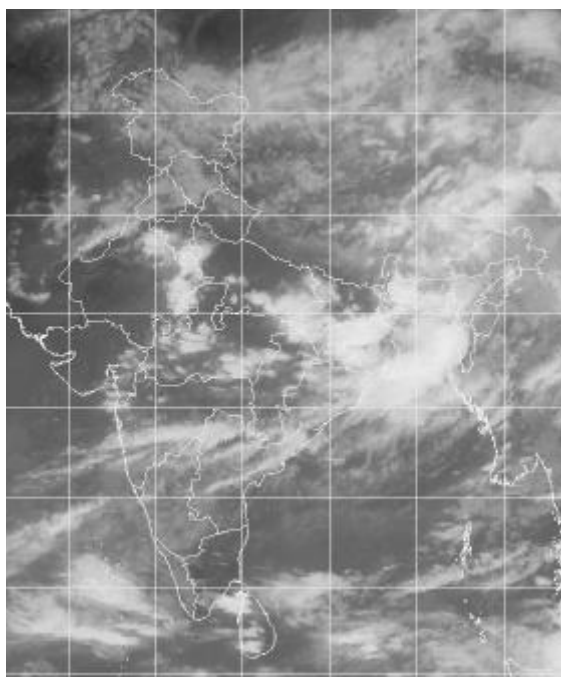
SELL MCX- October Guar Seed below 1732 with target of 1717. Stop loss near 1740.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	07.09.07	06.09.07	Change
Guar Seed	Bikaner	1700-10	1720	-10
	Jodhpur	1810-20	1850	-30
	Nokha	1690-1700	1710	-10
Guar Gum	Sriganganagar	1685	1700-10	-25
	Jodhpur	4600-25	4675	-50

SATELLITE IMAGE OF MONSOON PROGRESS (as on 07.09.07)



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