

GUAR DAILY

10th, September 2007

SPOT MARKETS:

Guar seed and gum prices at Jodhpur market remained unmoved during the Saturday's trade on subdued trading activity, while improved marginally at Bikaner, Nokha and Sriganganagar markets on some demand from millers / processors. Demand from exporters remained subdued to silent in the market. Overall arrivals across the major markets declined marginally on the back of lower arrivals in Sriganganagar market, which restricted the downside in prices. Sriganganagar received lower arrivals of around 800-900 bags compared to Friday's level of 1300-1500 bags. Total arrivals reported at around 3800-4000 bags. No arrivals reported in Bikaner while Nokha received 100-150 bags. Meanwhile, sources reported that the recent rains are helpful for the crops in Rajasthan and there may be possibility of slightly yield improvement. However, rains over Haryana are not satisfactory for the crop growth, reported. Thus, in coming days prices move on speculation over crop damage and production estimates. So, keep a close look over both the factors.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded range bound with bearish undertone at NCDEX. October contract opened firm at Rs. 1790/qrtl, up Rs 6 against the previous close of Rs 1784/qrtl and traded up initially testing a high of Rs 1797/qrtl. However, prices traded down thereafter on selling pressure testing a low of Rs 1777/qrtl before it closes at Rs 1785/qrtl. September contract traded in the range of Rs 1745-1762/qrtl. Guar gum October contract traded in the range of Rs 4570-4632/qrtl and September contract traded in the range of Rs 4601-4533/qrtl.

MCX Guar seed futures traded firm. October contract opened firm at Rs 1740.0/qrtl against the previous close of Rs 1738.5/qrtl. Contract then traded up on increased buying interest testing a high of Rs 1780.0/qrtl before it closes at Rs 1746.5/qrtl on profit taking at higher levels.

PRICE DRIVERS:

- Reports of drizzles over Jaipur (Rajasthan)
- Reports of insufficient rains over 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:

A doji like candlestick is formed indicating possible reversal. MACD and EMA remain weak for the medium term. Stochastic is moving down in the neutral region while RSI is heading upward. 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.	1778	1784	1785	1833	1842
NCDEX Guar Gum Oct.	4561	4582	4583	4657	4671
MCX Guar Seed Oct.	1707	1721	1746.5	1768	1780

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1795 with target of 1810 then 1820. Stop loss near 1787.

BUY NCDEX- October Guar Gum above 4603 with target of 4625 then 4635. Stop loss near 4592.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

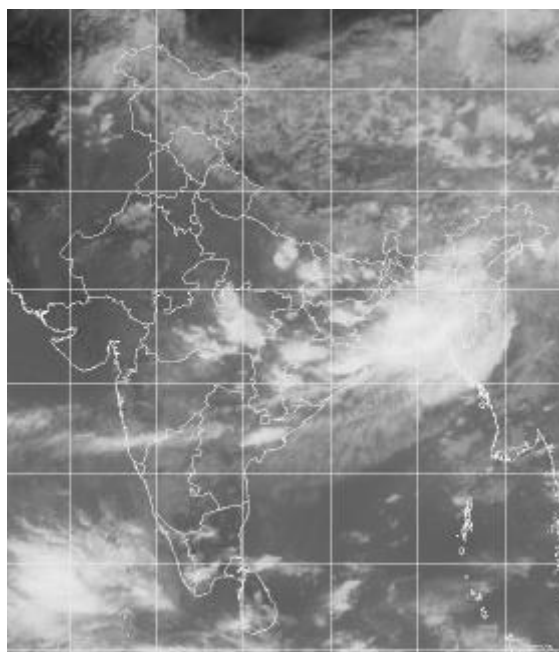
BUY MCX- October Guar Seed above 1732 with target of 1750 then 1760. Stop loss near 1723.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	08.09.07	07.09.07	Change
Guar Seed	Bikaner	1715	1700-10	+5
	Jodhpur	1810-20	1810-20	-
	Nokha	1710	1690-1700	+10
Guar Gum	Sriganganagar	1690	1685	+5
	Jodhpur	4625	4600-25	-

SATELLITE IMAGE OF MONSOON PROGRESS (as on 08.09.07)



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