

GUAR DAILY

4th, September 2007

SPOT MARKETS:

Both guar seed and guar gum prices improved further at most of the major markets in Rajasthan on good physical demand. Guar seed prices at Jodhpur went up to Rs 10 and guar gum prices Rs 25 compared to Saturday's level. Bikaner and Nokha also witnessed increase in prices by Rs 20 each respectively. Good demand from millers / processors reported in the market, while demand from exporters remained subdued. Further, unconfirmed reports of crop damage and expectation of lower production in Haryana due to insufficient rainfall, which affecting the yields, supported the sentiment. Sources reported that if there are no rains in next 5 days then the yield might be further affected. Overall arrivals across the spot markets stood steady at 2000-2500 bags. Meanwhile, IMD predicted for rains & thundershowers over West Rajasthan and Haryana are favourable for the crop at the moment, which may restrict upside.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures witnessed narrow range bound trade with bearish undertone at NCDEX. October contract opened firm at Rs. 1834/qtl, up Rs 10 against the previous close of Rs 1824/qtl and traded up initially testing a high of Rs 1845/qtl. However, prices tumbled thereafter on increased selling pressure at higher level testing a low of Rs 1815/qtl before it closes at Rs /qtl. October contract traded in the range of Rs 1815-1845/qtl and September contract traded in the range of Rs 1776-1799/qtl. In Oct. contract volume declined and open interest increased. Guar gum October contract traded in the range of Rs 4633-4694/qtl and September contract traded in the range of Rs 4512-4589/qtl.

MCX Guar seed futures traded range bound with bearish undertone. October contract opened firm at Rs 1785/qtl against the previous close of Rs 1783.5/qtl. Contract then traded down on selling pressure testing a low of Rs 1780.0/qtl and settled at day's low of Rs 1780.0/qtl.

PRICE DRIVERS:

- Forecast of rains over West Rajasthan & Haryana.
- Reports of crop damage due to insufficient rains over Haryana
- Unconfirmed report of crop damage in Sriganganagar
- Quality concerns over Indian guar gum
- Restricted arrivals in the market due to stockists hoarding
- Lower stock position in the market
- Good 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 & thundershowers over West Rajasthan and Haryana.

TECHNICALS:

Candlestick chart patten shows weakness in prices. Prices closed above the 9 days EMA indicating short-term firmness in prices. MACD is moving flat in the negative region. Stochastic is moving upward in the neutral region while RSI is heading down in neutral region. 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.	1803	1814	1821	1863	1874
NCDEX Guar Gum Oct.	4610	4632	4640	4698	4720
MCX Guar Seed Oct.	1752	1762	1780	1818	1827

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1827 with target of 1842 then 1850. Stop loss near 1819.

BUY NCDEX- October Guar Gum above 4650 with target of 4672 then 4682. Stop loss near 4639.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

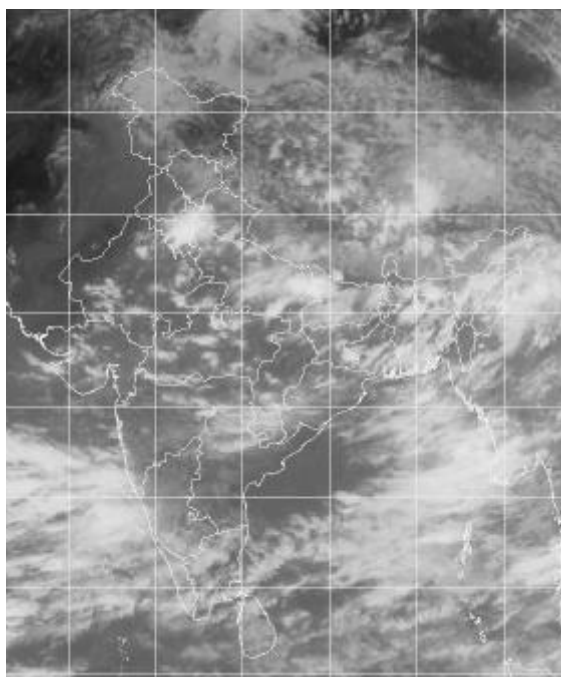
BUY MCX- October Guar Seed above 1793 with target of 1808. Stop loss near 1785.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	03.09.07	01.09.07	Change
Guar Seed	Bikaner	1720	1690-1700	+20
	Jodhpur	1850	1830-40	+10
	Nokha	1700	1680	+20
Guar Gum	Sriganganagar			
	Jodhpur	4675-4700	4650-75	+25

SATELLITE IMAGE OF MONSOON PROGRESS (as on 03.09.07)



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