

GUAR DAILY

13th, September 2007

SPOT MARKETS:

Amidst reports of rainfall over Northern parts of Rajasthan besides drizzles over Western Rajasthan, guar seed and gum prices declined during the Wednesday's trade. Guar seed prices at Jodhpur, Bikaner, Nokha and Sriganganagar eased by Rs 10 each compared to the Tuesday's. At Jodhpur market guar gum declined by Rs 50. Sources reported that these rains are favourable late sown guar crop, which pressurizing the prices. However, these rains may also harm the quality of harvested crop in Sriganganagar, restricting the downside. However, talks of lower production in Pakistan further restricted the downside. Good demand from millers reported in the market. On other hand arrivals declined during the Wednesday's trade on the back of lower arrivals in Sriganganagar as rains affected the arrivals, which also supported the sentiment. Arrivals in Sriganganagar markets declined from the previous level of 700-800 bags to around 400-500 bags. Overall arrivals declined from Tuesday's level of 3500-3800 bags to 3000-3200 bags with no arrivals reported in Bikaner and Nokha.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded range bound at NCDEX with bearish undertone. October contract opened firm at Rs. 1799/qtl, up Rs 5 against the previous close of Rs 1794/qtl and traded up in early session of trade to test a high of Rs 1806/qtl. However, prices skid thereafter erasing all the early gains on selling pressure testing a low of Rs 1783/qtl before it closes at Rs 1798/qtl. September contract traded in the range of Rs 1753-1772/qtl. Guar gum October contract traded in the range of Rs 4593-4641/qtl and September contract traded in the range of Rs 4523-4564/qtl.

MCX Guar seed futures traded weak. October contract opened firm at Rs 1750.0/qtl against the previous close of Rs 1746.5/qtl. Contract then traded down on selling pressure testing a low of Rs 1743.0/qtl before it closes at Rs 1745.0/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 Sriganganagar & 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 indecisive market. EMA remain weak for the short-term. MACD is flat in negative zone. Stochastic is moving down while RSI is heading upward in the 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.	1783	1793	1798	1838	1845
NCDEX Guar Gum Oct.	4604	4623	4624	4688	4706
MCX Guar Seed Oct.	1735	1745	1745	1786	1795

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- October Guar Seed above 1804 with target of 1820 then 1828. Stop loss near 1796.

BUY NCDEX- October Guar Gum above 4637 with target of 4662 then 4672. Stop loss near 4623.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

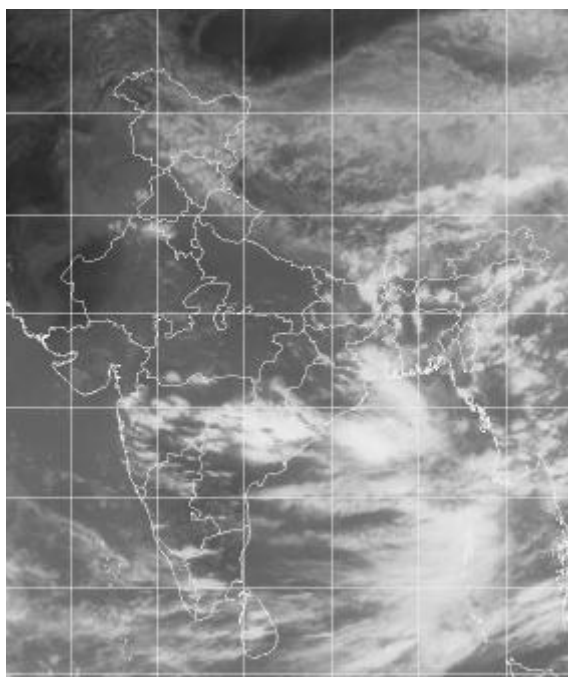
BUY MCX- October Guar Seed above 1755 with target of 1775. Stop loss near 1745.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	12.09.07	11.09.07	Change
Guar Seed	Bikaner	1715	1725	-10
	Jodhpur	1825	1830-35	-10
	Nokha	1710	1720	-10
Guar Gum	Sriganganagar	1690	1700	-10
	Jodhpur	4650	4675	-25

SATELLITE IMAGE OF MONSOON PROGRESS (as on 12.09.07)



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