

■ GUAR SEED

■ 25th, Sept. 2007

SPOT MARKETS:

Physical prices of both guar seed and gum declined across the markets in Rajasthan on the back of rains over the Rajasthan region and cloudy conditions over Haryana. Guar seed prices declined by Rs 30-45 at Jodhpur, Bikaner, Sriganganagar and Nokha markets compared to Saturday. At Jodhpur, guar gum declined by Rs 100. Sources reported rains are beneficial for the late sown guar crop in Western and Central Rajasthan while it harm the quality of seed and maturing crop in Northern Rajasthan besides the quality concern of seeds and harm to maturing crop due to recent rains. It also reported that the rains over Haryana may harm the crop as well as quality of the seeds as the crop is in harvesting stage. Rains also affected the trading activity as well as arrivals in the market. Demand from millers / processors and exporters remained absent in the market. Arrival across the markets declined from the Saturday's level of 3800 bags to around 3000 bags. In Sriganganagar fresh arrivals declined from 1200 bags to 600-700 bags. No arrivals reported in Bikaner and Nokha. In coming days demand for good quality seeds may boost the prices.

FUTURES MARKETS (NCDEX & MCX):

Guar seed futures traded weak at NCDEX. The November contract for Guar seeds opened weak at Rs 1773/qrtl, Rs 7 down from the previous closing of Rs 1780/qrtl and traded up initially testing a high of Rs 1777/qrtl. However, prices tumbled sharply thereafter on increased selling pressure testing a low of Rs 1718/qrtl before it closed at Rs /qrtl. November contract traded in the range of Rs 1718-1777 and October contract traded in the range of Rs 1692-1756/qrtl. Guar gum November contract traded in the range of Rs 4375-4505/qrtl and October contract traded in the range of Rs 4309-4425/qrtl.

PRICE DRIVERS:

- Reports of rains over Rajasthan
- Quality concerns over harvested seeds as well as maturing crop in Sriganganagar due to recent rains
- Czech Republic's blocked four consignment of Indian guar gum
- Forecast of widespread rainfall over NW India.
- 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 isolated rains & thundershowers over Punjab and Rajasthan in next 48 hours besides widespread very heavy rainfall over NW India.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. MACD and EMA remain weak for the medium-term. Both Stochastic and RSI is moving down in the oversold zone. So a bounce back cannot be ruled out. Market is expected to trade range bound with weak bias with possibility of late upward movement.

OUTLOOK:

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

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Nov.	1680	1690	1732	1734	1741
NCDEX Guar Gum Nov.	4350	4363	4410	4423	4442
MCX Guar Seed Nov.	1710	1719	1730	1766	1775

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- November Guar Seed below 1726 with target of 1710 then 1702. Stop loss near 1734.

SELL NCDEX- November Guar Gum below 4400 with target of 4380 then 4370. Stop loss near 4410.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- November Guar Seed below 1750 with target of 1725. Stop loss near 1762.

Do not carry forward the position until the next day.

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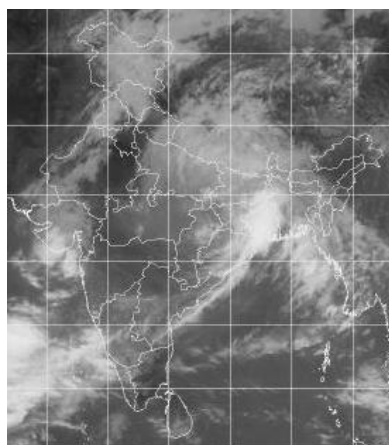
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	25.09.07	22.09.07	Change
Guar Seed	Bikaner	1640-50	1690-95	-45
	Jodhpur	1750-60	1780-90	-30
	Nokha	1660-75	1715-20	-45
Guar Gum	Sri Ganganagar	1650-60	1685-90	-30
	Jodhpur	4425-50	4550	-100

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1738	1756	1692	1704	1746	-42
	November	1773	1777	1718	1732	1780	-48
	December	1801	1808	1750	1763	1811	-48
Guar Gum	October	4415	4425	4309	4335	4417	-82
	November	4470	4505	4375	4410	4519	-109
	December	4575	4583	4460	4497	4581	-84

**SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 24.09.07)**



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