

■ GUAR SEED

■ 26th, Sept. 2007

SPOT MARKETS:

Guar seed and gum prices eased further across the mandis in Rajasthan on poor offtake against steady arrivals. Guar seed prices eased by Rs 5-10 at Jodhpur, Bikaner, Sriganganagar and Nokha markets compared to Monday. At Jodhpur, guar gum eased by Rs 25. Arrivals across the markets stood steady at Monday's level of 3000 bags whereas the poor offtake was reported in the market, which pressurized the prices. Millers/ processors and stockists are unwilling to buy the new guar seeds as the inferior grade of seeds arriving in the market. Fresh arrivals in Sriganganagar markets stood steady at 600-700 bags. Meanwhile, the guar seed acreage in Rajasthan is estimated at 2.14 million ha or 93 percent of the targeted 2.3 million ha, state farm department. Before the second phase of sowing in Rajasthan, it was estimated at 1.75 million ha. However, the total acreage is trailed behind the last year's acreage of 2.81 million ha. 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 1730/qrtl, Rs 2 down from the previous closing of Rs 1732/qrtl. Contract then traded down on increased selling pressure testing a low of Rs 1697/qrtl before it closed at Rs 1710/qrtl on profit taking. November contract traded in the range of Rs 1697-1730 and October contract traded in the range of Rs 1670-1702/qrtl. Guar gum November contract traded in the range of Rs 4350-4409/qrtl and October contract traded in the range of Rs 4289-4330/qrtl.

Guar seed futures traded weak at MCX. November contract opened firm at Rs 1750 against the previous close of Rs 1730. Contract then traded down on increased selling pressure testing a low of Rs 1663 and settled at days low. October contract traded in the range of Rs 1629-1635.

PRICE DRIVERS:

- Total acreage in Rajasthan is estimated at 2.14 mln ha compared to last year's 2.81 mln ha.
- 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 rains & thundershowers outside the west Rajasthan and decrease in rainfall activity 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 region. 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.	1670	1680	1710	1723	1731
NCDEX Guar Gum Nov.	4340	4350	4380	4400	4422
MCX Guar Seed Nov.	1635	1645	1663	1674	1688

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- November Guar Seed below 1709 with target of 1697 then 1691. Stop loss near 1713.

SELL NCDEX- November Guar Gum below 4370 with target of 4355 then 4350. Stop loss near 4378.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- November Guar Seed below 1663 with target of 1648. Stop loss near 1671.

Do not carry forward the position until the next day.

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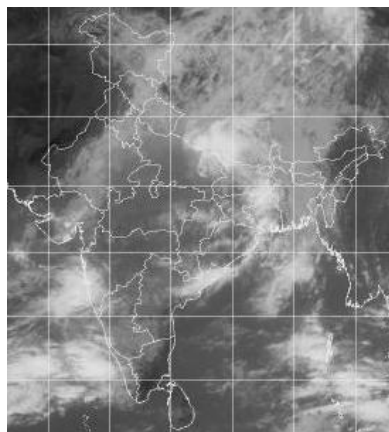
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	25.09.07	24.09.07	Change
Guar Seed	Bikaner	1645	1640-50	-5
	Jodhpur	1750-55	1750-60	-5
	Nokha	1660-65	1660-75	-10
Guar Gum	Sri Ganganagar	1650-55	1650-60	-5
	Jodhpur	4400-25	4425-50	-25

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1699	1702	1670	1680	1704	-24
	November	1730	1730	1697	1710	1732	-22
	December	1756	1760	1728	1742	1763	-21
Guar Gum	October	4329	4330	4289	4315	4335	-20
	November	4380	4409	4350	4380	4410	-30
	December	4475	4494	4437	4471	4497	-26

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 25.09.07)



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