

■ GUAR SEED

■ 31st Oct, 2007

SPOT MARKETS:

Guar seed and gum traded weak after remaining firm for the last couple of days. It was offered in a lower price range across major domestic market. Traders attributed spillover weakness from the domestic futures market as the major reason behind the decline in prices at the physical markets. Demand was good from the stockists as well as millers. The market continues to remain underpinned by the expectations of the European Union clearing the contamination issues related to guar gum exports. Consequently, some stockists demand was present in the market. Guar gum prices also improved moderately in the line of guar seed prices and traders are eyeing further reports from the EU regarding the contamination issue for further direction. Export demand for guar gum remains at the weaker side. Quality seeds of Western Rajasthan are likely to be seen in the market yards only after 15th of November, thus resulting in a temporary void in supplies of good quality seeds. Guar prices are likely to recover in the day ahead on improved demand for the commodity.

FUTURES MARKETS (NCDEX & MCX):

Guar seed as well as guar gum futures at NCDEX failed to extend previous advance further. Most active December contract at NCDEX opened lower than previous settlement and tested an intraday high of Rs. 1818 at the opening session of trade. The futures traded sharply downwards thereafter on increased selling interest and the December contract tested an intraday low of Rs. 1785. Most active December guar seed contract finished lower by Rs. 36 or 2.06 per cent after trading in the range of Rs. 1785-1818 during Tuesday's trade.

Most active December guar gum contract finished lower by Rs. 74 or 1.66 per cent after trading in the range of Rs. 4436-4499 during Tuesday's trade.

PRICE DRIVERS:

- Market is expecting EU team's report positive
- Arrivals now expected to gradually fall in Sriganganagar region
- Improved demand from stockists
- Arrivals in Haryana is increasing, seed quality is poor
- Reports of lower yield in Haryana
- Expectation of lower production in Pakistan
- Good demand from millers
- Shortage of quality seeds in the market

WEATHER IMPACT:

Dry weather conditions prevail in the main guar growing regions, which is conducive for the harvest of the crop in early sown areas of Rajasthan and Haryana. Western Rajasthan is waiting for rains for its pod-bearing crop.

TECHNICALS:

Candlesticks pattern indicates weak opening and initial downtrend. Prices closed above the 9-day as well as 18-day EMA, suggesting a firm trend in the market. MACD is in the positive territory, supporting the firmness in the market. 14-day RSI is in neutral region and would support both way movements. Guar futures are likely to trade downwards following a weak opening with possibility of some upward movements later in the session.

NCDEX Guar Seed December Contract:

Guarseeds 0712(NCGUAZ7)2007/10/31 - Daily B:1786.00 A:1788.00
O 1818.00 H 1818.00 L 1786.00 C 1787.00 V 79,320 I 114,940 -34
EMA(9) 1785.6 (18) 1774.4

**SUPPORT / RESISTANCES (NCDEX and MCX):**

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Dec.	1750	1768	1787	1800	1818
NCDEX Guar Gum Dec.	4385	4400	4436	4449	4465
MCX Guar Seed Dec.	1742	1750	1770	1785	1794

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- December Guar Seed near 1790 with target of 1780 and then 1775. Stop loss at 1796.

SELL NCDEX- December Guar Gum near 4440 with target of 4410. Stop loss at 4455.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- December Guar Seed near 1770 with target of 1758. Stop loss near 1776.

Do not carry forward the position until the next day.

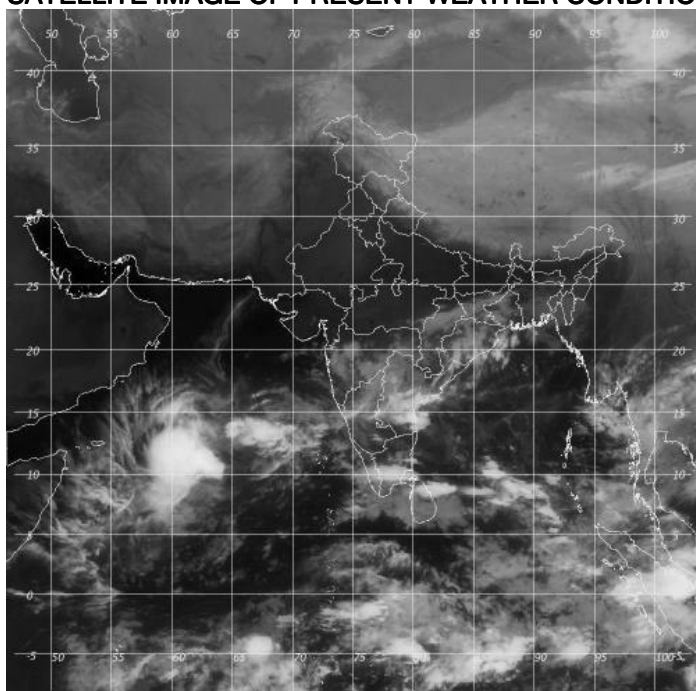
■ GUAR SEED

■ 31st Oct, 2007

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centre	30.10.07	29.10.07	Change
Guar Seed	Bikaner	1680-90	1690-1700	-10
	Jodhpur	1750	1775	-25
	Nokha	Na	Na	-
	Sri Ganganagar	1600	1600	-
Guar Gum	Jodhpur	4375	4400	-25

SATELLITE IMAGE OF PRESENT WEATHER CONDITIONS: (Source: IMD)



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd