

GGUAR COMPLEX

Agriwatch
DAILY

■ GUAR SEED

■ 25th Oct, 2007

SPOT MARKETS:

Guar seed and gum extended previous weakness further during Wednesday's trade. Increased arrivals in the domestic market have pressurized the prices. Arrivals increased from around 60000 bags to around 70000-75000 bags on all India basis. Traders are reporting sluggish demand amidst increased arrivals as the major reason behind the fall in guar prices. However, prices remain supported by the expectations of the European Union clearing the issues related to guar gum exports. Consequently, some stockists demand was seen in the market. Guar gum prices also declined in the line of guar seed prices and traders are eyeing further reports from the EU regarding export. Export demand for guar gum remains weak at present because of the off colour. Quality seeds 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. Prices are likely to recover in the medium-term, but may see some weakness in the day ahead.

FUTURES MARKETS (NCDEX & MCX):

Guar seed as well as guar gum futures at NCDEX witnessed some recovery after registering sharp losses in the previous session. Most active December guar seed contract at NCDEX opened lower than previous settlement and tested an intraday low of Rs. 1765 at the early hours of trade. Increased buying interest at lower price levels supported the futures thereafter and the futures traded upwards to test an intraday high of Rs. 1784. Most active December guar seed contract finished higher by Rs. 2 or 0.11 per cent after trading in the range of Rs. 1765-1784 during Wednesday's trade.

Most active December guar gum contract finished higher by Rs. 3 or 0.07 per cent after trading in the range of Rs. 4400-4440 during Wednesday's trade.

PRICE DRIVERS:

- Market is expecting EU team's report positive
- Arrivals now expected to gradually fall in Sriganganagar region
- Sluggish 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 steady to firm opening and initial uptrend. Close above the short-term EMAs suggest a bullish trend in the market. MACD is in positive territory, supporting the underlying firmness in the market. 14-day RSI is in neutral region and would support both way movements. Guar futures are likely to trade upwards following a steady to firm opening and downwards thereafter.

NCDEX Guar Seed December Contract:

Guar seeds 0712(NCGUAZ7)2007/10/25 - Daily B:1775.00 A:1776.00
O 1768.00 H 1784.00 L 1766.00 C 1776.00 V 72,970 I 119,960 +7
EMA(9) 1766.6 (18) 1760.2



SUPPORT / RESISTANCES (NCDEX and MCX):

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Dec.	1750	1762	1776	1795	1810
NCDEX Guar Gum Dec.	4388	4400	4420	4460	4475
MCX Guar Seed Dec.	1740	1750	1770	1790	1800

INTRADAY TRADE RECOMMENDATION (NCDEX):

SELL NCDEX- December Guar Seed above 1785 with target of 1770 and then 1765. Stop loss at 1794.

SELL NCDEX- December Guar Gum above 4435 with target of 4405. Stop loss at 4450.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

SELL MCX- December Guar Seed above 1780 with target of 1760. Stop loss near 1789.

Do not carry forward the position until the next day.

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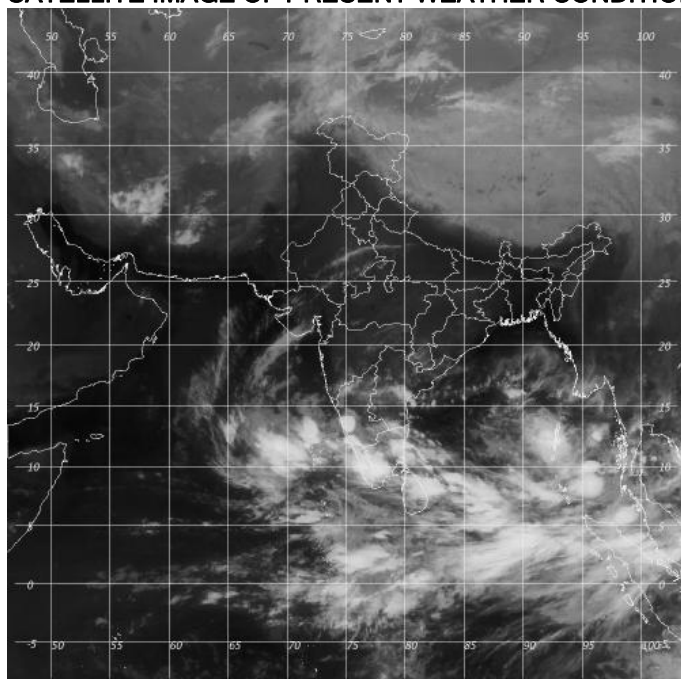
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GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centre	24.10.2007	23.10.2007	Change
Guar Seed	Bikaner	1650	1650	-
	Jodhpur	1725	1750	-25
	Nokha	Na	1750-60	-
	Sri Ganganagar	1560-70	1580-85	-15
Guar Gum	Jodhpur	4325	4350	-25

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



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