

■ GUAR SEED

■ 12th, Oct. 2007

SPOT MARKETS:

Guar seed prices remained steady to slightly firm at most of the centers in the absence of fresh inputs to the market. The arrivals declined marginally to 30000-40000 bags against 40000-45000 bags on the previous trading day. Demand continues to remain normal with poor quality of the product hurting the stockists activity. Whereas, millers are buying as the demand for bye products viz Churi and Korma remains healthy. As the crop is delayed in the major producing region of Rajasthan i.e. the western part of the state, the arrival pressure is not building much. Further, quality issue is also keeping the demand in check. Stockists and Exporters are waiting for guar crop from western Rajasthan. Withdrawal of monsoon from this part of the country is worrying the market, as dry spell of weather during maturity period of crop would hurt the production. The lower production in the country means global shortage of the commodity as it commands 75% of global trade. Also another major producer Pakistan is reportedly expected to be short in production this year. Meanwhile, EU delegates are expected to finish their inspection by October 12. The Indian exporters keenly await their report. Some good demand and firmness can be seen if the team Okays the Indian quality testing facilities.

FUTURES MARKETS (NCDEX & MCX):

Guar seed and guar gum futures washed away all the initial gains of the session to close with moderate losses on Thursday. Guar seed futures traded volatile after firm opening at NCDEX on Thursday. The November contract for Guar seeds opened firm at Rs 1717/qrtl, and then it traded firm to see the highs of Rs 1723. The prices then declined to the lows of Rs 1700 before closing the session at Rs 1703/qrtl. October contract traded volatile in the range of Rs 1669-1689/qrtl during the session. The Guar gum futures [November contract] opened firm at Rs 4335/qrtl against the previous close of Rs 4333/qrtl. The futures then traded volatile in the range of Rs 4291-4350/qrtl only to close at the day's low. Guar gum October contract traded in the range of Rs 4224-4275/qrtl.

PRICE DRIVERS:

- Harvesting gathering momentum in Sriganganagar
- Sluggish demand from stockists
- Arrivals in Haryana is increasing, seed quality is poor
- Total acreage in Rajasthan is estimated at 2.14 mln ha compared to last year's 2.81 mln ha.
- EU begins accepting guar gum consignment
- Poor quality of seeds in Sriganganagar
- Reports of lower yield in Haryana & Rajasthan
- Expectation of lower production in Pakistan
- Good demand from millers
- Lower stock position 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.

TECHNICALS:

The prices managed to close above short term EMA that favours bulls in a short run. MACD is running flat in negative region. Stochastic has made bullish crossover in normal region. Guar futures are expected to trade volatile with bullish bias.

OUTLOOK:

Guar seed futures are expected to trade volatile with bullish bias.

NCDEX Guar Seed November Contract:**SUPPORT / RESISTANCES (NCDEX and MCX):**

Contract	S2	S1	PCP	R1	R2
NCDEX Guar Seed Nov.	1665	1675	1703	1736	1751
NCDEX Guar Gum Nov.	4227	4254	4291	4350	4375
MCX Guar Seed Nov.	1655	1663	1683	1710	1730

INTRADAY TRADE RECOMMENDATION (NCDEX):

BUY NCDEX- November Guar Seed above 1697 with target of 1717 and then 1725. Stop loss near 1685.

BUY NCDEX- November Guar Gum above 4278 with target of 4320 and then 4340. Stop loss near 4255.

Do not carry forward the position until the next day.

INTRADAY TRADE RECOMMENDATION (MCX):

BUY MCX- November Guar Seed above 1675 with target of 1795. Stop loss near 1663.

Do not carry forward the position until the next day.

■ GUAR SEED

■ 11th, Oct. 2007

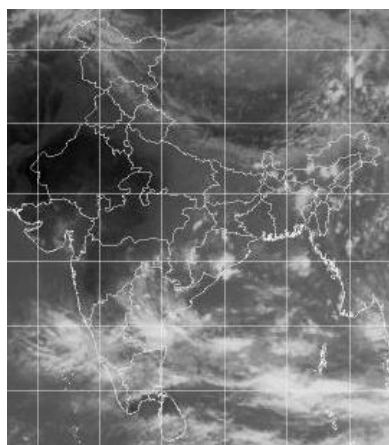
GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.10.07	10.10.07	Change
Guar Seed	Bikaner	1625-30	1615	+15
	Jodhpur	1730-35	1730	0
	Nokha	1650	1670	-20
Guar Gum	Sri Ganganagar	1560	1520	+40
	Jodhpur	4325	4325	0

NCDEX FUTURES PRICES (Rs. /qtl):

Commodity	Contract Month	Open	High	Low	Last Trade Price	Previous Close	Change
Guar Seed	October	1683	1689	1669	1672	1680	-8
	November	1717	1723	1700	1703	1711	-8
	December	1748	1757	1733	1736	1744	-8
Guar Gum	October	4265	4275	4224	4224	4246	-22
	November	4335	4350	4291	4291	4333	-42
	December	4415	4425	4360	4360	4401	-41

SATELLITE
IMAGE OF
MONSOON
PROGRESS
(As on 10.10.07)



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