

## GUAR DAILY

July 12, 2006

### GUAR

#### SPOT MARKETS:

Guar traded with a stable sentiment at the physical markets. Though, SW monsoon has further advanced into most parts of East Rajasthan and some more parts of West Rajasthan, yet guar prices managed to cap further downfall following huge losses on Monday. Traders are closely eyeing the progress and performance of SW monsoon in major guar producing states of Rajasthan as it would be beneficial for the sowing of guar crop, which is highly sensitive to water. The market remained supported by some gains in the futures market, where short covering has lifted up the futures prices of both guar seed as well as guar gum.

#### FUTURES MARKETS:

Guar futures at the NCDEX opened gapped down following Monday's huge losses and traded slightly downwards initially. However, short covering at the lower levels supported the futures thereafter and the futures retraced back again. The futures pared the early losses and settled with gains in final action. Guar Seed July contract traded in the range of 1825-1898, while the August contract fluctuated in the range of 1855-1937. Guar Gum July contact traded in the range of 4735-4878, while the August contract fluctuated in the range of 4800-4944 during Tuesday's trade.

#### PRICE DRIVERS:

##### Bearish:

1. SW monsoon has further advanced into most parts of East Rajasthan and some more parts of West Rajasthan
2. Short covering at the futures market

##### Bullish:

3. Lower carry forward stocks
4. Long range weather forecast suggests below normal monsoon this year

#### WEATHER:

SW monsoon has further advanced into most parts of East Rajasthan and some more parts of West Rajasthan. Rainfall at this time would help in sowing of guar crops.

#### TECHNICALS:

Candlestick pattern is bullish, indicating steady to firm opening. Stochastic has made a bearish crossover. MACD indicates weakness in the market. Overall technical picture is pointing towards a range bound trade with mixed sentiment.

#### OUTLOOK:

Guar seed as well as guar gum is expected to trade slightly upwards initially following a steady to firm opening and downwards thereafter.

#### NCDEX August Contract

Guarseeds 0608(NCGUAQ6)2006/07/11 - Daily B:1919.00 A:1920.00  
O 1860.00 H 1923.00 L 1855.00 C 1903.00 V 203,810 I 116,510 +15

EMA(9) 1922.0 (18) 1940.1



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
Guar Seed Aug	1848	1834	1903	1950	1970
Guar Gum Aug	4789	4725	4922	5033	5097

#### INTRADAY TRADE RECOMMENDATION:

**Sell NCDEX- August Guar Seed** near 1930 with **target** of 1900, and then 1880 **Stop loss** at 1955.

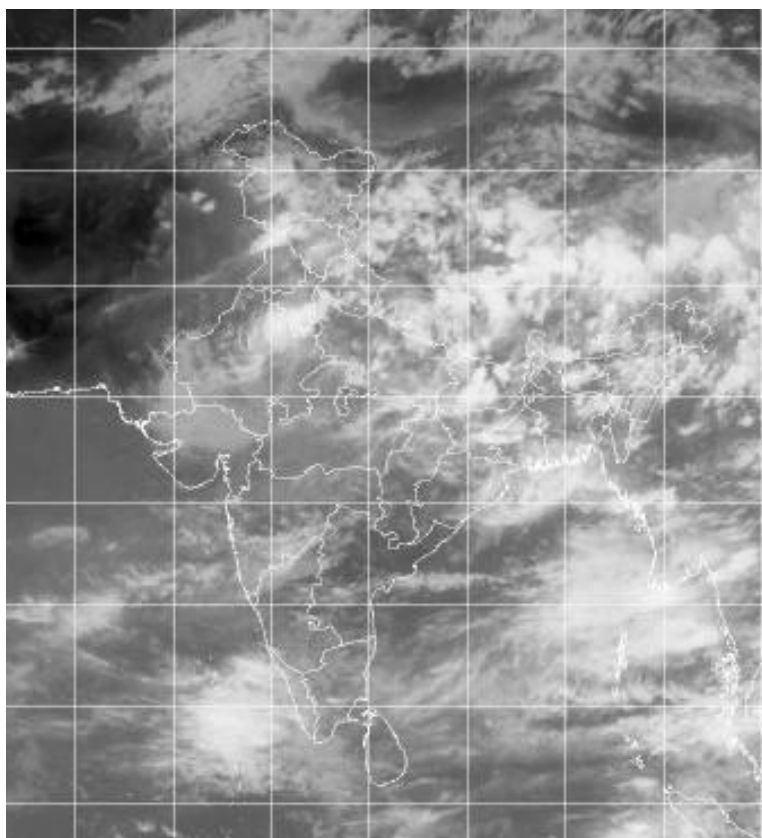
**Sell NCDEX- August Guar Gum** near 4950 with **target** of 4900 then 4760 **Stop loss** at 4975.

**Do not carry forward the position until the next day.**

#### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.07.06	10.07.06	Change
Guar Seed	Bikaner	1840	1830-1840	-
	Jodhpur	1925-1945	1930-1940	+5
	Nokha	1805	1800	+5
	Sriganganagar	1850	1850	-
Guar Gum	Jodhpur	5096	5044	+52

## SATELLITE PICTURE OF MONSOON PROGRESS (11.07.06)



### ALL INDIA WEATHER FORECAST:

#### Progress of Southwest Monsoon:

- Southwest monsoon has further advanced into most parts of East Rajasthan and some more parts of West Rajasthan.
- The Northern Limit of Monsoon as on 11<sup>th</sup> July passes through 24°N/64°E, 24°N/68°E, Udaipur, Ajmer, Churu and Ganganagar.

#### Chief Features:

- Yesterday's low pressure area over Bangladesh and adjoining Gangetic West Bengal now lies as an upper air cyclonic circulation extending upto mid-tropospheric levels over Sub-Himalayan West Bengal & Sikkim and neighbourhood. The system is likely to move in west northwesterly direction.
- Another upper air cyclonic circulation lies over Haryana and neighbourhood extending upto 2.1 km a.s.l.
- Axis of monsoon trough passes through Anoopgarh, Pilani, Aligarh, Lucknow, Darbhanga and thence eastwards.
- During past 24 hours fairly widespread rainfalls has occurred along the west coast, northwest India and West Bengal & Sikkim.

Source: IMD

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