

## GUAR DAILY

July 11, 2006

### GUAR

#### SPOT MARKETS:

Guar traded with a highly bearish sentiment at the physical markets. Further advancement of SW Monsoon into remaining parts of Haryana and some more parts of Rajasthan has encouraged the bears to dominate the trade throughout the day. Guar wiped away last weekend's gain on Monday at the physical as well as futures market. Increased speculative selling interest has pressurised the guar market sentiment. Rainfalls at this time in the major guar producing state of Rajasthan and Haryana would be beneficial for the sowing of guar crop, which is highly sensitive to water.

#### FUTURES MARKETS:

Guar futures at the NCDEX witnessed a highly bearish trade following a weak opening. The futures hit 4 per cent lower circuit level within a few minutes of trade and extended the losses to touch the 6 per cent mark. Favourable weather situations have lead to increased selling pressure in the counter. Guar Seed July contract traded in the range of 1849-1943, while the August contract fluctuated in the range of 1888-2000. Guar Gum July contact traded in the range of 4770-5025, while the August contract fluctuated in the range of 4852-5051 during Monday's trade.

#### PRICE DRIVERS:

##### Bearish:

1. SW Monsoon has further advanced in remaining parts of Haryana and some parts of Rajasthan
2. Increased selling interest 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 remaining parts of Haryana and some more parts of Rajasthan. Rainfall at this time would help in sowing of guar crops.

#### TECHNICALS:

Candlestick is highly bearish, indicating weak opening. Stochastic is still moving upwards. However, MACD indicates weakness in the market. Overall technical picture is hinting bearish trade ahead.

#### OUTLOOK:

Guar seed as well as guar gum is expected to trade downwards following a weak opening with possibility of some late upward movement.

#### NCDEX August Contract

Guarseeds 0608(NCGUAQ6)2006/07/10 - Daily B:1888.00 A:1888.00  
O 2000.00 H 2000.00 L 1888.00 C 1888.00 V 255,050 I 115,270 -116

EMA(9) 1926.7 (18) 1944.5



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
Guar Seed Aug	1834	1800	1888	1933	1988
Guar Gum Aug	4730	4670	4852	4930	5000

#### INTRADAY TRADE RECOMMENDATION:

**Sell NCDEX- August Guar Seed** near 1880 with **target** of 1850, and then 1840 **Stop loss** at 1900.

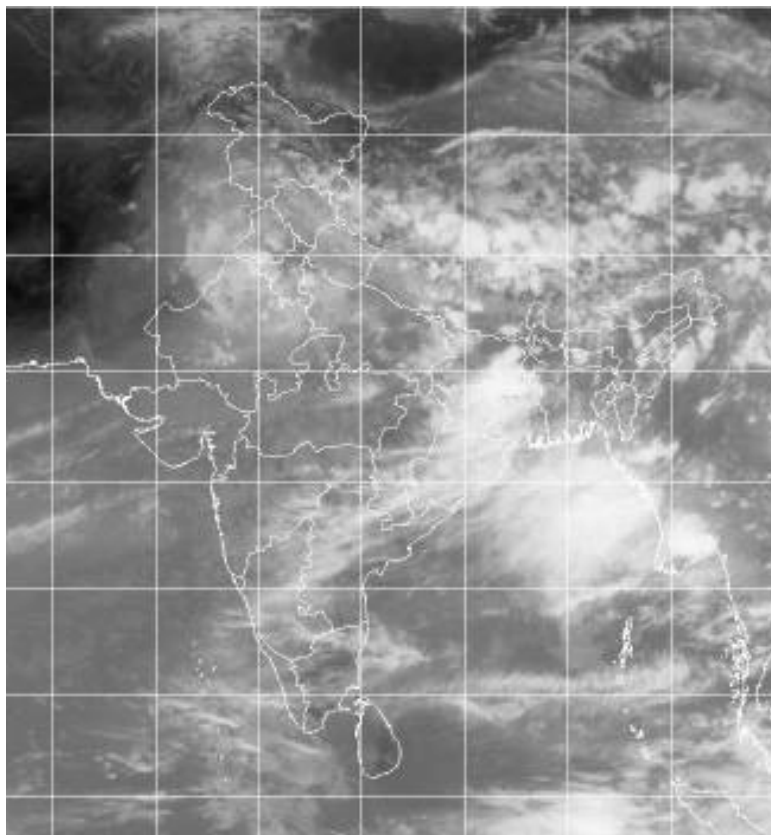
**Sell NCDEX- August Guar Gum** near 4850 with **target** of 4800 then 4760 **Stop loss** at 4900.

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

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

Commodity	Centres	10.07.06	08.07.06	Change
Guar Seed	Bikaner	1830-1840	1880	-50
	Jodhpur	1930-1940	2000	-70
	Nokha	1800	1850	-50
Guar Gum	Sriganganagar	1850	1910	-60
	Jodhpur	5044	5200	-156

## SATELLITE PICTURE OF MONSOON PROGRESS (10.07.06)



### ALL INDIA WEATHER FORECAST:

#### Progress of Southwest Monsoon:

- Southwest monsoon has further advanced into remaining parts of, Haryana and Punjab and some more parts of Rajasthan.
- The Northern Limit of Monsoon as on 10th July passes through 24°N/64°E, 24°N/68°E, Udaipur, Dholpur, Alwar, Pilani and Ganganagar.

#### Chief Features:

A low pressure area has formed over Bangladesh and adjoining Gangetic West Bengal with associated upper air cyclonic circulation extending upto mid-tropospheric levels. The system is likely to move in west northwesterly direction.

Heavy to very heavy falls are likely at a few places over East Uttar Pradesh, Himachal Pradesh, Uttaranchal, West Bengal & Sikkim, Jharkhand and Bihar.

Source: **IMD**

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