

## GUAR DAILY

September 29<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Somewhat upward tone at futures market has supported the guar sentiments at physical mandis and did not allow to slid down further. However, the confusion of expected production status and fresh arrivals of guar seed in some market is pressurizing the market to some extent. Sriganganar market has been enjoying fresh arrivals. The arrivals will be increasing in the coming days at others market. However, the peak arrival is likely to after Dipawali. The lack of buying activities is reported from majority of markets. The buyers have been closely watching the futures market for the further direction. However, the long spell of dry weather in the time of critical stage of the crops may affect the yield.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed a somewhat upward tone following a firm opening. Increased buying interest up the futures and settled green. However, thin trading activity is mainly dominating the futures. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1670-1690 per qtl, while the most active November contract moved in the range of Rs. 1694-1718 per qtl. Guar Gum October contract traded in the range of Rs. 4241-4290 per qtl, while the most active November contract moved in the range of Rs. 4321-4380 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Confusion over overall expected production
2. Lack of interest in buying
3. Spillover tone at futures market

##### Bullish:

4. S.W. monsoon has withdrawn from West and some part of East Rajasthan

#### WEATHER IMPACT:

Crop has reached pod filling stage in majority of the growing areas. However, withdrawing of S.W. monsoon from West Rajasthan and lack of rains may affect the crops.

#### TECHNICALS:

Candlestick pattern is showing steady to firm opening. Stochastic is in oversold region and moving slightly upwards. MACD is in negative territory and moving slightly downwards. Prices closed below 9-day and 18-day EMA. Indicating sideways trading.

#### OUTLOOK:

Guar seed is expected to trade upwards initially following a firm opening with possibility of some downwards movement later.

#### NCDEX Guar Seed November Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1665	1675	1711	1738	1745
Guar Gum Nov.	4265	4287	4350	4416	4440

#### INTRADAY TRADE RECOMMENDATION:

**SELL NCDEX- November Guar Seed** at 1718-1728 with target of 1693 then 1678 **Stop loss** at 1738.

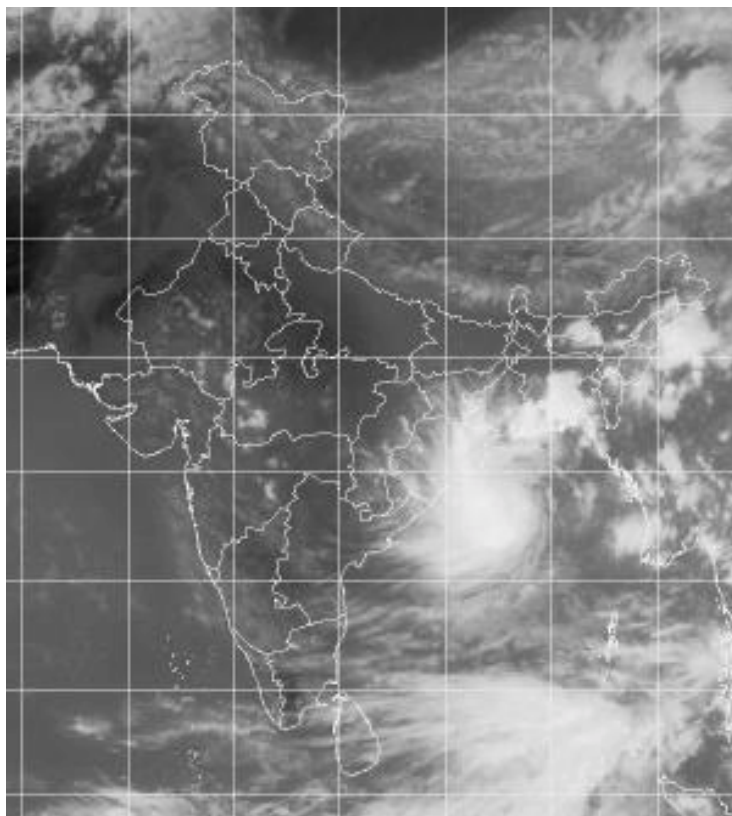
**SELL NCDEX- November Guar Gum** at 4370-4390 with target of 4340 then 4320 **Stop loss** at 4400.

Do not carry forward the position until the next day.

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

Commodity	Centres	28.09.06	27.09.06	Change
Guar Seed	Bikaner	1620	1610	+10.00
	Jodhpur	1735	1725-1730	+5.00
	Nokha	1620	1610	+10.00
	Sriganganagar	1610	1610	-
Guar Gum	Jodhpur	4450	4380	+70.00

## SATELLITE PICTURE OF MONSOON PROGRESS (28.09.06)



### Monsoon Outlook (27.09.06)

- Yesterday's low pressure area over east-central & adjoining northeast Bay of Bengal persists and has become well marked. It is likely to concentrate into a depression and move in a west-northwesterly direction. Under its influence fairly widespread rainfall with isolated heavy to very heavy falls is likely to commence over Orissa and Gangetic West Bengal during next 24 hrs. Subsequently enhanced rainfall activity is also likely to extend into north Andhra Pradesh & Chhattisgarh.

### Heavy Rainfall Warning:

- Isolated heavy to very heavy rainfall is likely over Orissa, Gangetic West Bengal and Andaman & Nicobar Islands
- Outlook for subsequent two days from 0830

### Outlook for subsequent two days (Based on numerical weather products):

- Fairly widespread rainfall is likely over interior Maharashtra and adjoining Madhya Pradesh.
- Decrease in rainfall activity over east India.

**Source:** GOI (IMD)

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