

GUAR DAILY

October 03rd, 2006

GUAR

SPOT MARKETS:

Guar seed remained almost steady in all the major markets while guar gum down by Rs.30 at Jodhpur market. The anticipation of higher production is still playing a vital role in the mind of the buyers that hinders them from taking position in the market. However, according to the traders carry forward stock position is lower this time and estimated about to 20 lakhs bags. The IMD's prediction of rainfall is likely to Gujarat may delay the crop arrivals there. The crops need good sunshine in this stage. The domestic demand steady whereas, constant demand for guar gum is reported from China and America.

FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed a somewhat upward tone initially following a firm opening. However, increased selling pressure at some higher level slid down the futures thereafter and finally settled at red. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1671-1697 per qtl, while the most active November contract moved in the range of Rs. 1699-1726 per qtl. Guar Gum October contract traded in the range of Rs. 4245-4288 per qtl, while the most active November contract moved in the range of Rs. 4330-4380 per qtl.

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production about 75-80 lakhs bags as against last year 50-55 l. bags
2. Fresh arrivals in Haryana and Sriganganagar market of Rajasthan

Bullish:

3. Decreasing carry forward stocks (about 20 lakhs bags) as compared to 40-45 lakhs bags last year
4. Possibility of technical correction at futures market
5. Good export demand

WEATHER IMPACT:

Crop has reached pod filling to maturity stage in majority of the growing areas. However, rainfall in this stage is not fruitful as the crop needs enough

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	30.09.06	29.09.06	Change
Guar Seed	Bikaner	1620-1630	1630	-
	Jodhpur	1735	1735-1740	-
	Nokha	1610	1620	-10.00
	Sriganganagar	1610	1610	-
Guar Gum	Jodhpur	4420	4450-4460	-30.00

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 upwards. Prices closed below 9-day and 18-day EMA. Indicating sideways trading.

OUTLOOK:

Guar seed is expected to trade slightly downwards initially following a steady to firm opening and upward movement later.

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1654	1667	1704	1740	1751
Guar Gum Nov.	4240	4270	4340	4398	4440

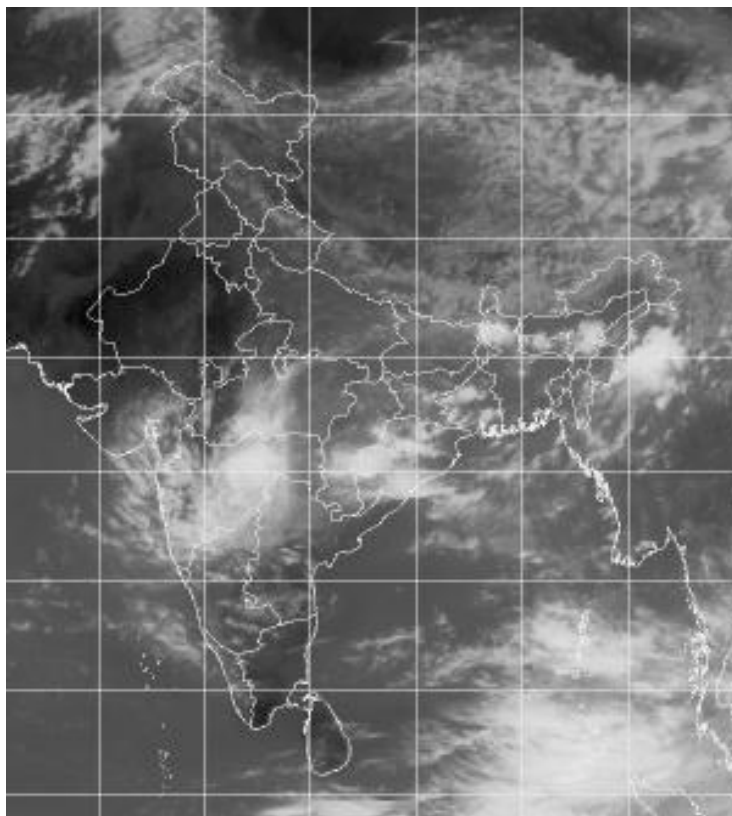
INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- November Guar Seed at 1680-1685 with target of 1713 then 1728 **Stop loss** at 1668.

BUY NCDEX- November Guar Gum at 4290-4310 with target of 4350 then 4375 **Stop loss** at 4275.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (30.09.06)



Monsoon Outlook (30.09.06)

- Yesterday's depression over northwest Bay of Bengal moved westwards and crossed Orissa coast at 1730 hours IST of 29th September. It weakened subsequently into a well marked low pressure area and now lay at 0830 hrs IST of today, over south Chhattisgarh and neighbourhood. System is likely to move in a west-northwesterly direction and weaken gradually.
- Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over Vidarbha Telangana and south Chhattisgarh during next 24 hours. Isolated heavy to very heavy falls are also likely over south Orissa and north Chhattisgarh during same period. Subsequently the rainfall belt is likely to shift into rest of Maharashtra & Goa and south Gujarat Region.

Heavy Rainfall Warning:

- Heavy to very heavy rainfalls at a few places is likely over Vidarbha Telangana and south Chhattisgarh. Isolated heavy to very heavy falls also likely over south Orissa and north Chhattisgarh.

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

- Fairly widespread rainfall is likely over Konkan & Goa, Marathwada and Madhya Maharashtra.
- Decrease in rainfall activity over central India.

Source: GOI (IMD)

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