

## GUAR DAILY

September 07, 2006

### GUAR

#### SPOT MARKETS:

Guar sentiments still is in pressure on the anticipation of higher production due to conducive rains in Rajasthan. Some traders from Sriganganagar and Hanumangar districts of Rajasthan are optimistic about higher production this time. The arrivals of guar seed in some districts of Rajasthan is also supported the weakness. The guar prices offered steady in most of the major trading center. Moreover, the IMD's prediction of heavy to very heavy rainfalls over southeast Rajasthan within next 24 hours is also weakens the buyers' activities. Rainfall is also needed during the coming week for better growth of the standing crop. The millers demand remained good at this level. The meager arrivals reported from different markets. However, the traders are optimistic about recovery of guar sentiments in short term on good demand.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed a bearish trade following a firm opening. Increased selling interest pressurized the futures and traded at down sides. At the NCDEX, Guar Seed September contract traded in the range of Rs. 1610-1642 per qtl, while the most active October contract moved in the range of Rs. 1621-1656 per qtl. At the NCDEX, Guar Gum September contract traded in the range of Rs. 4101-4197 per qtl, while the most active October contract moved in the range of Rs. 4150-4249 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Anticipation of higher production
2. Isolated heavy to very heavy falls also likely over southeast Rajasthan

##### Bullish:

3. Good demand amidst expected lower carry forward stocks

#### WEATHER IMPACT:

Guar crop has received suitable rainfall in most of the growing regions. However, another spell of rainfall is necessary in the coming fortnight for better growth of

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

Commodity	Centres	06.09.06	05.09.06	Change
Guar Seed	Bikaner	1580	1630	-50.00
	Jodhpur	1660	1700	-40.00
	Nokha	1550	1590	-40.00
	Sriganganagar	1540	1600	-60.00
Guar Gum	Jodhpur	4300	4450	-150.00

#### TECHNICALS:

Candlestick pattern is showing weak opening. Stochastic is in oversold region and hinting bearish trend. MACD is in negative territory and indicating weakness in the market. Prices closed much below 9-day and 18-day EMA, indicating bearish trend. Expecting bearish trade.

#### OUTLOOK:

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

#### NCDEX Guar Seed October Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Oct.	1550	1580	1631	1658	1680
Guar Gum Oct.	4081	4120	4177	4255	4300

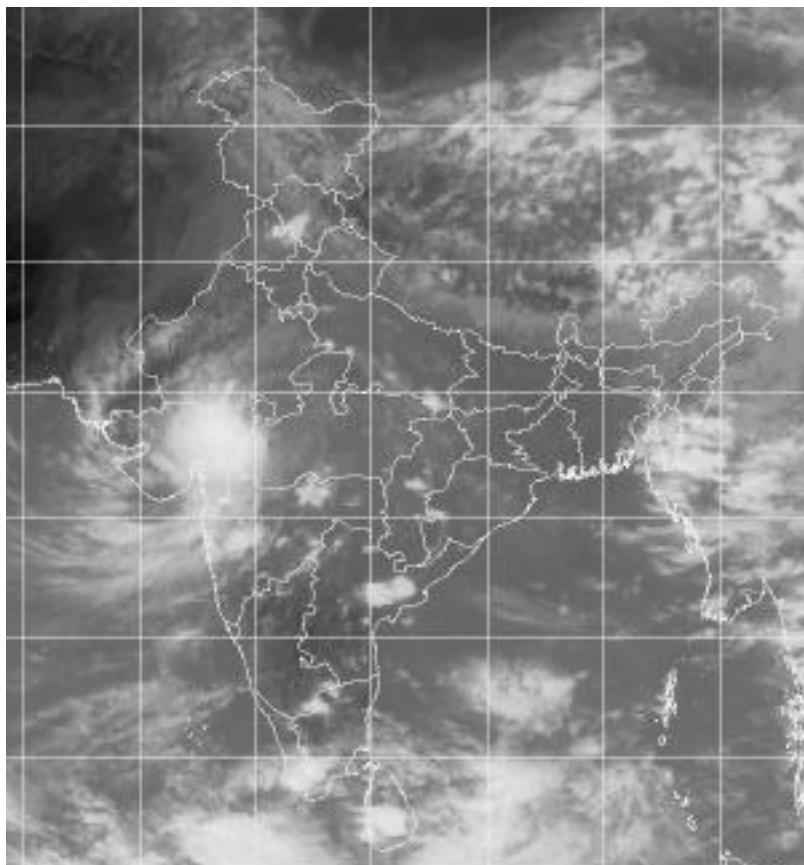
#### INTRADAY TRADE RECOMMENDATION:

**SELL NCDEX- October Guar Seed** at 1635-1645 with **target** of 1600 then 1585 **Stop loss** at 1655.

**SELL NCDEX- October Guar Gum** at 4190-4210 with **target** of 4150 then 4125 **Stop loss** at 4225.

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

## SATELLITE PICTURE OF MONSOON PROGRESS (06.09.06)



### Monsoon Outlook (06.09.06)

- ✍ Yesterday's well marked low pressure area over Chhattisgarh and adjoining East Madhya Pradesh now lies over West Madhya Pradesh & neighbourhood. The 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 are likely over West Madhya Pradesh and southeast Rajasthan during next 24 hours. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over north Madhya Maharashtra, northeast Rajasthan and Gujarat Region during the same period.

### Heavy Rainfall Warning:

- ✍ Heavy to very heavy falls at a few places are likely over West Madhya Pradesh and southeast Rajasthan during next 24 hours. Isolated heavy to very heavy falls are also likely over north Madhya Maharashtra, northeast Rajasthan and Gujarat Region during the same period.

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

- ✍ Decrease in rainfall activity likely over West & Central India.
- ✍ Increase in rainfall activity over East Uttar Pradesh, Bihar, Sub-Himalayan West Bengal & Sikkim and northeastern States.

Source: GOI (IMD)

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