

GUAR DAILY

September 25th, 2006

GUAR

SPOT MARKETS:

Steady sentiments prevailed at majority of domestic market and mainly following the sideways tone of futures market. Drizzling in some parts of Rajasthan and Haryana has also pressurized the tone. However, demand from millers as well as stockiest remained steady on decreasing carry forward stocks. However, the buyers get motivated on the scarcity of Traders reported the overall production is likely to somewhat higher from previous year. However, the long spell of dry weather in the time of critical stage of the crops may affect the yield. The decreasing carry forward stock has also supported the market.

FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed a sideways trade following a weak opening. Increased selling interest at some higher level pressurized the futures and settled red. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1702-1723 per qtl, while the most active November contract moved in the range of Rs. 1724-1746 per qtl. Guar Gum October contract traded in the range of Rs. 4300-4354 per qtl, while the most active November contract moved in the range of Rs. 4380-4460 per qtl.

PRICE DRIVERS:

Bearish:

1. Confusion over overall expected production
2. Drizzling in some parts of Rajasthan

Bullish:

3. Good demand and lower carry forward stocks
4. S.W. monsoon has withdrawn from West Rajasthan

WEATHER IMPACT:

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

TECHNICALS:

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

OUTLOOK:

Guar seed is expected to trade upwards initially following a steady to 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.	1700	1710	1732	1800	1820
Guar Gum Nov.	4330	4380	4405	4520	4600

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- November Guar Seed at 1720-1730 with **target** of 1755 then 1770 **Stop loss** at 1710.

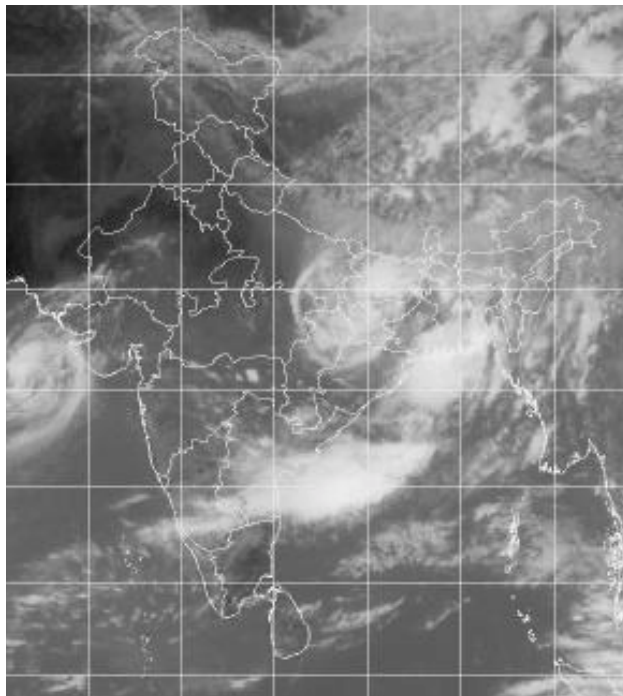
BUY NCDEX- November Guar Gum at 4380-4400 with **target** of 4440 then 4465 **Stop loss** at 4365.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	23.09.06	22.09.06	Change
Guar Seed	Bikaner	1650-1660	1650	-
	Jodhpur	1760-1775	1760	-
	Nokha	1638	1638	-
	Sriganganagar	1650	1650	-
Guar Gum	Jodhpur	4480	4480	-

SATELLITE PICTURE OF MONSOON PROGRESS (23.09.06)



Monsoon Outlook (23.09.06)

- Yesterday's depression over Jharkhand moved slightly northwards and lay centred at 0830 hours IST of today close to Dhanbad. The system is likely to move slowly in a northerly direction and weaken. Under its influence, widespread rainfall with scattered heavy to very heavy falls are likely over Bihar, West Bengal & Sikkim, Jharkhand, Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya. Fairly widespread rainfall with isolated heavy falls are also likely over East Uttar Pradesh and north Chhattisgarh.
- Yesterday's cyclonic storm (Mukda) over east central and adjoining northeast Arabian Sea moved in a northeasterly direction and intensified into a severe cyclonic storm. It lay centred at 0830 hours IST of today about 280 Km southwest of Porbandar. The system is likely to intensify further and move slowly in a northeasterly direction towards Gujarat coast. Under its influence, widespread rainfall activity with heavy to very heavy falls at a few places and isolated extremely heavy (more than 25 cm) falls accompanied with Gale winds reaching 100-120 kmph are likely along and off Gujarat coast. The sea condition is likely to be high to very high along the Gujarat coast. The fishermen are advice not to venture into sea.

Heavy Rainfall Warning:

- Heavy to very heavy falls at a few places with isolated extremely heavy (more than 25 cm) falls are likely over Saurashtra & Kutch. Isolated heavy to very heavy falls is also likely over south Gujarat.
- Heavy to very heavy falls at a few places are likely over Bihar, West Bengal & Sikkim, Jharkhand, Nagaland, Manipur, Mizoram & Tripura and Assam & Meghalaya. Isolated heavy falls also likely over East Uttar Pradesh and north Chhattisgarh.

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

- Fairly widespread rainfall activity likely to continue over East & northeast India.

Source: GOI (IMD)

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