

## GUAR DAILY

September 30<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar market remained mostly steady. Fresh arrivals of guar seed at some market of Rajasthan along with anticipation of higher production have pressurized the guar sentiments at different domestic market. However, the old stock is decreasing sharply on good demand. Sriganganagar market has been enjoying fresh arrivals. The arrivals will be increasing in the coming days at others market also. However, the peak arrival is expected to witness after Dipawali. The buyers have been closely watching the futures market for the further direction. Traders reported the overall production is likely to somewhat higher from previous year and likely to 75-80 lakhs bags.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed an upward tone following a firm opening. Increased buying interest up the futures and settled green. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1680-1696 per qtl, while the most active November contract moved in the range of Rs. 1706-1725 per qtl. Guar Gum October contract traded in the range of Rs. 4270-4295 per qtl, while the most active November contract moved in the range of Rs. 4345-4400 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Confusion over overall expected production

##### Bullish:

2. S.W. monsoon has withdrawn from West and some part of East Rajasthan
3. Decreasing carry forward stocks
4. Somewhat bullish tone at futures market

#### 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 upwards. Prices closed below 9-day and 18-day EMA. Indicating bullish 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.	1683	1696	1719	1760	1774
Guar Gum Nov.	4283	4321	4365	4457	4490

#### INTRADAY TRADE RECOMMENDATION:

**BUY NCDEX- November Guar Seed** at 1705-1715 with **target** of 1740 then 1755 **Stop loss** at 1695.

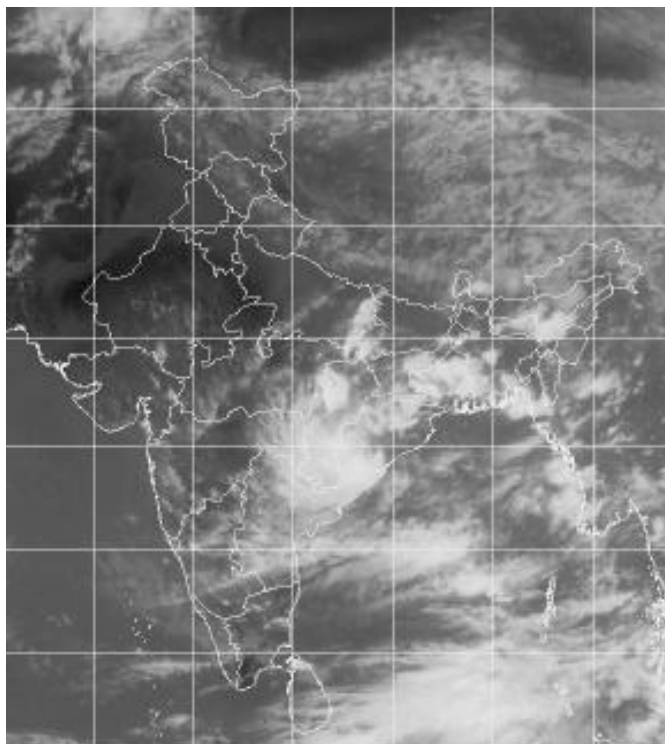
**BUY NCDEX- November Guar Gum** at 4340-4360 with **target** of 4400 then 4425 **Stop loss** at 4325.

Do not carry forward the position until the next day.

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

Commodity	Centres	29.09.06	28.09.06	Change
Guar Seed	Bikaner	1630	1620	+10.00
	Jodhpur	1735-1740	1735	+5.00
	Nokha	1620	1620	-
	Sriganganagar	1610	1610	-
Guar Gum	Jodhpur	4450-4460	4450	+10.00

## SATELLITE PICTURE OF MONSOON PROGRESS (29.09.06)



### Monsoon Outlook (29.09.06)

- The well marked low pressure area over eastcentral and adjoining northeast Bay of Bengal concentrated into a depression last evening. Moving west-northwestwards, the it lay centred at 0830 hrs IST of today near lat. 19.0° N and long. 86.0° E aboput 125 km east-southeast of Gopalpur. The system is likely to move in a west-northwesterly direction and cross Orissa coast near Gopalpur around noon of today.

Under its influrnce, widespread rainfall with heavy to very heavy falls at a few places are likely over Orissa, north Coastal Andhra Pradesh and north Telangana. Fairly widespread rainfall with isolated heavy to very heavy falls are also likely over Gangetic West Bengal and Chhattisgarh during next 24 hours. Squally winds with speed raching 50-60 kmph are also likely along and off West Bengal, Orissa and north Andhra Pradesh coasts during next 24 hours. The sea condition will be rough to very rough along and off West Bengal, Orissa and north Andhra Pradesh coasts. The fishermen are advised not to venture into the sea.

### Heavy Rainfall Warning:

- Heavy to very heavy falls at a few places are likely over Orissa, north Coastal Andhra Pradesh and north Telangana. Isolated heavy to very heavy falls are also likely over Gangetic West Bengal and Chhattisgarh during next 24 hours. Squally winds with speed raching 50-60 kmph are also likely along and off West Bengal, Orissa and north Andhra Pradesh coasts during next 24 hours. The sea condition will be rough to very rough along and off West Bengal, Orissa and north Andhra Pradesh coasts. The fishermen are advised not to venture into the sea.

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

- Fairly widespread rainfall is likely over Konkan & Goa, Marathawada, Madhya Maharashtra and south Madhya Pradesh.
- Decrease in rainfall activity over east India.

Source: GOI (IMD)

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