

## GUAR DAILY

September 27<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Sharply down tone is witnessed in majority of guar market mainly on the confusion of expected production status and fresh arrivals of guar seed in some market. The arrivals will be increasing in the coming week and. However, the peak arrival is likely to after Dipawali. The lack of buying activities is reported from majority of markets. Moreover, the sharply bearish tone of futures market is also keeps away the buyers from the market. 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 sharply bearish trade following a firm opening. Increased selling interest on the confusion over expected output status slid down the futures and settled red with some losses. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1671-1720 per qtl, while the most active November contract moved in the range of Rs. 1694-1746 per qtl. Guar Gum October contract traded in the range of Rs. 4225-4356 per qtl, while the most active November contract moved in the range of Rs. 4312-4444 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Confusion over overall expected production
2. Spill over trade at spot market
3. Sharply bearish tone of futures market

##### Bullish:

4. S.W. monsoon has withdrawn from West and some part of East Rajasthan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 weak opening. Stochastic is in normal region and moving sharply downwards. MACD is in negative territory and moving slightly downwards. Prices closed below 9-day and 18-day EMA. Indicating bearish trading.

#### OUTLOOK:

Guar seed is expected to trade slightly upwards initially following a weak opening and some downwards movement later.

#### NCDEX Guar Seed November Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1650	1666	1697	1725	1735
Guar Gum Nov.	4199	4229	4325	4367	4400

#### INTRADAY TRADE RECOMMENDATION:

**SELL NCDEX- November Guar Seed** at 1705-1715 with target of 1685 then 1673 **Stop loss** at 1722.

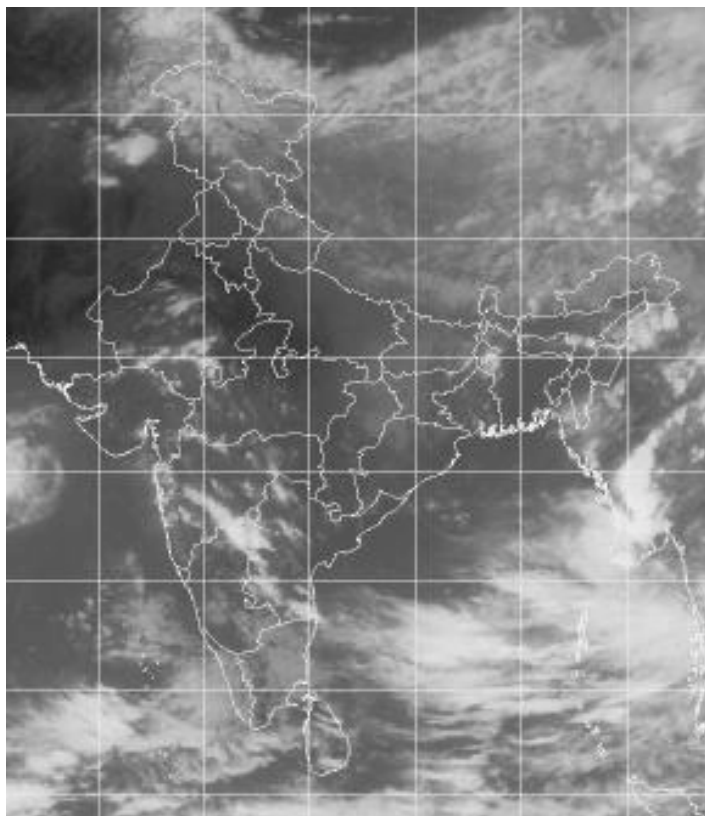
**SELL NCDEX- November Guar Gum** at 4330-4350 with target of 4300 then 4280 **Stop loss** at 4360.

Do not carry forward the position until the next day.

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

Commodity	Centres	26.09.06	25.09.06	Change
Guar Seed	Bikaner	1610	1650	-40.00
	Jodhpur	1740	1760-1775	-35.00
	Nokha	1610	1638	-28.00
	Sriganganagar	1620	1640-1650	-30.00
Guar Gum	Jodhpur	4440-4450	4480-4500	-60.00

## SATELLITE PICTURE OF MONSOON PROGRESS (26.09.06)



### Monsoon Outlook (26.09.06)

- Yesterday's low pressure area over Bihar and adjoining Jharkhand now lies over Jharkhand and adjoining north Orissa & Gangetic West Bengal. Under its influence, fairly widespread rainfall with isolated heavy falls likely over Jharkhand, Gangetic West Bengal and north Orissa during next 24 hours.
- A low pressure area is likely to form over east-central Bay of Bengal by tomorrow, which will increase the rainfall activity initially over Andhra Pradesh.

### Heavy Rainfall Warning:

- Isolated heavy falls are likely over Jharkhand, Gangetic West Bengal, north Orissa, Tamil Nadu, Coastal & South Interior Karnataka, Kerala, Lakshadweep and Andaman & Nicobar Islands

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

Fairly widespread rainfall activity likely over south peninsula .

**Source:** GOI (IMD)

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