

GUAR DAILY

October 26th, 2006

GUAR

SPOT MARKETS:

Guar sentiments improved from early weakness on decreasing arrivals at spots. The arrivals reported at 40000-50000 bags all over India. The arrivals remained weak on the ongoing festivals as well as farmers-unwilling ness to release their stocks at lower price levels. Good buying motives amidst some lower arrivals is mainly underpinning the market sentiments. Increased buying interest at futures is also motivated stockists to increase their stock position. The speculation of higher prices in the coming months mostly playing a vital role in the minds of stockiest as well as big export houses. Millers remained inactive at this price levels. Millers have been waiting for the increase in guar gum price levels further. According to some traders the sentiments will be increasing in the coming days.

FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed some upwards trade following a firm opening. Lower arrivals at spots amidst good demand is supported the sentiments. The futures settled higher at days high in final action. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1884-1954 per qtl, while the most active December contract moved in the range of Rs. 1928-1996 per qtl so far today. Guar Gum November contract traded in the range of Rs. 4850-4987 per qtl, while the most active December contract moved in the range of Rs. 4940-5101 per qtl.

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production about 75-80 lakh bags as against last year 50-55 l. bags
2. Some lower activities at market

Bullish:

3. Good domestic demand amidst some lower arrivals
4. Farmers unwilling ness to release their stocks at lower price levels
5. Increased buying interest at futures market

WEATHER IMPACT:

Crop has reached to maturity stage in majority of the growing areas. High moisture in the air is not beneficial for the crop.

TECHNICALS:

Candlestick pattern is indicating bullish sentiment. Buyers mainly dominated the market. The % K line made bullish crossover with the %D line and moving upwards. MACD is in positive territory and moving upwards. Prices closed above 9-day and 18-day EMA. Indicating bullish sentiments.

OUTLOOK:

Guar seed is likely to trade upwards initially following a firm opening with possibility of some downward movement later.

NCDEX Guar Seed December Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1952	1973	1996	2046	2067
Guar Gum Dec.	4997	5045	5101	5218	5261

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- December Guar Seed above 1990 with target of 2020 then 2035 Stop loss at 1975.

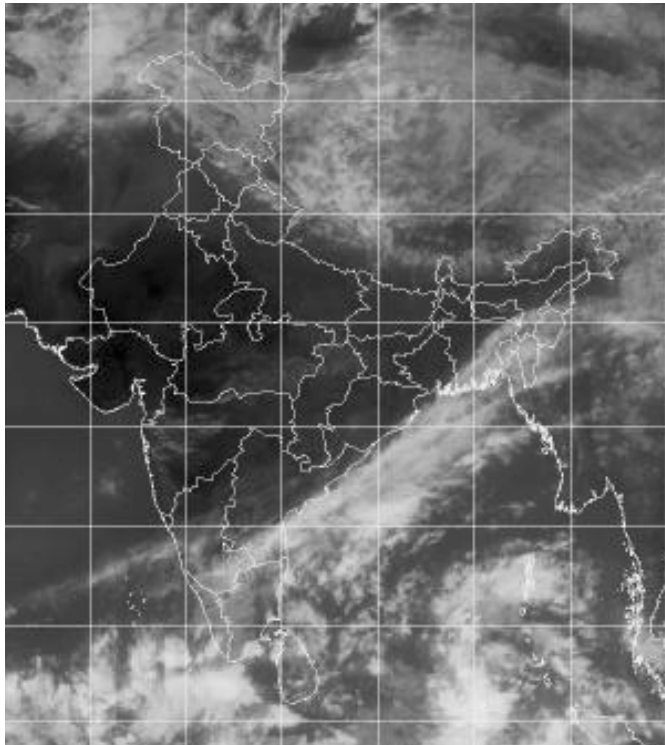
BUY NCDEX- December Guar Gum above 5090 with target of 5150 then 5180 Stop loss at 5060.

Do not carry forward the position until the next day.

AN:

Commodity	Centres	25.10.06	23.10.06	Change
Guar Seed	Bikaner	1830	1790	+40.00
	Jodhpur	1980	1900-1925	+55.00
	Nokha	1820	1820	-
	Sriganganagar	1820-1830	1820	+10.00
Guar Gum	Jodhpur	5150	4940	+110.00

SATELLITE PICTURE OF MONSOON PROGRESS (25.10.06)



Monsoon Outlook (25.10.06)

- Under the influence of an easterly wave, fairly widespread rainfall is likely over south peninsula during next 3-4 days.
- Numerical weather models output suggest formation of low pressure area over southeast Arabian Sea around 27th, which may cause increase in rainfall activity over south peninsula particularly over Tamil Nadu, Kerala and Lakshadweep where isolated heavy rainfall is also likely.

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

- The ongoing rainfall activity over south Peninsula is likely to continue.

Source: GOI (IMD)

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