

GUAR DAILY

October 16th, 2006

GUAR

SPOT MARKETS:

Guar market remained steady on good demand amidst increasing arrivals. The arrival is reportedly 55-60 bags in all over India. The peak arrival is expected in the coming week. However, in Jodhpur market the harvesting would be some later part around November. The price will be decreasing tandem with the increase in arrivals likely from the coming week. The demand of good quality seed is higher among the buyers and thus offers firm. Sriganganagar market is enjoying 3000-4000 bags fresh arrivals. The harvesting is going on in Sriganganagar, Hanumannagar, Churu districts of Rajasthan and Haryana. The harvesting process would be continuing until the end of this month in these areas.

FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed some upwards trade following a weak opening. However, increased profit booking is seen at some upper levels. Finally the futures settled green. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1938-1962 per qtl, while the most active November contract moved in the range of Rs. 1971-2007 per qtl. Guar Gum October contract traded in the range of Rs. 4940-5010 per qtl, while the most active November contract moved in the range of Rs. 5040-5123 per qtl.

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production about 75-80 lakh bags as against last year 50-55 l. bags
2. Increasing arrivals

Bullish:

3. Decreasing carry forward stocks (about 20 lakh bags) as compared to 40-45 lakh bags last year
4. Good domestic demand

WEATHER IMPACT:

Crop has reached to maturity stage in majority of the growing areas. However, very dry weather as well as dry wind may harm the crops.

TECHNICALS:

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

OUTLOOK:

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

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1932	1951	1994	2040	2055
Guar Gum Nov.	4973	5012	5094	5200	5263

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- November Guar Seed at 2020-2025 with target of 1988 then 1971 Stop loss at 2039.

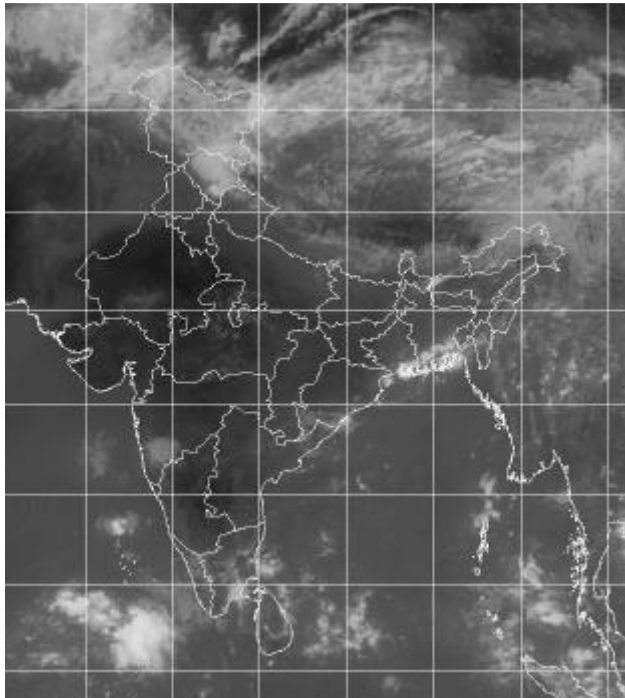
SELL NCDEX- November Guar Gum at 5140-5160 with target of 5090 then 5060 Stop loss at 5180.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	14.10.06	13.10.06	Change
Guar Seed	Bikaner	1900-1910	1910	-
	Jodhpur	2000	2010-2025	+25.00
	Nokha	1890-1900	1900	-
	Sriganganagar	1890-1900	1900	-
Guar Gum	Jodhpur	5000	5050-5100	-50.00

SATELLITE PICTURE OF MONSOON PROGRESS (14.10.06)



Monsoon Outlook (14.10.06)

- The western disturbance as an upper air system is likely to cause scattered rainfall activity over Western Himalayan region during next 48 hours.
- Under the influence of an east-west shear zone extreme south peninsula is likely to experience scattered rainfall activity during next 2-3 days.

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

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

Source: GOI (IMD)

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