

## GUAR DAILY

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

### GUAR

#### SPOT MARKETS:

Guar offered at much lower prices on the advice of sharply bearish tone at futures market. A good arrival amidst steady demand is also underpinning the tone. The arrival is reportedly steady to 60,000-65,000 bags. Some traders reported arrivals of medium quality seed. More proportion of guar is mixed with the guar seed. The active buyers are stockists. However, increased selling activities at futures market keeps the buyers away at spot market. However, the speculation of higher prices in the coming months still playing a vital role in the minds of stockiest as well as big export houses. Peak arrivals might be pressurized the market sentiments on the coming days. However, traders are optimistic about rise in guar prices on good demand.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed sharply bearish tone following a weak opening. Increased selling pressure at the higher levels pressurized the futures and settled red. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1866-1942 per qtl, while the most active December contract moved in the range of Rs. 1911-1990 per qtl. Guar Gum November contract traded in the range of Rs. 4756-4906 per qtl, while the most active December contract moved in the range of Rs. 4859-5057 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Anticipation of higher production about 75-80 lakh bags as against last year 50-55 l. bags
2. The arrival is reportedly increased to 60,000-65,000 bags from 40000-50000 bags
3. Sharply bearish tone at futures market

##### Bullish:

4. Good domestic demand
5. Farmers unwillingness to release their stocks at lower price levels

#### WEATHER IMPACT:

Harvesting of Guar crop in Rajasthan, Haryana and Gujarat is in progress. Weather is mostly conducive for the harvest in the guar growing belts.

#### TECHNICALS:

Candlestick pattern is indicating weak opening and sellers mainly dominate the market. The % K line made bearish crossover with the %D line and moving downwards. MACD is in positive territory and moving downwards. Prices closed below 9-day and 18-day EMA. Indicating weak sentiments.

#### OUTLOOK:

Guar seed is likely to trade some downwards initially following a weak opening with possibility of some upward movement later.

#### NCDEX Guar Seed December Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1847	1865	1934	1992	2018
Guar Gum Dec.	4695	4742	4922	5061	5108

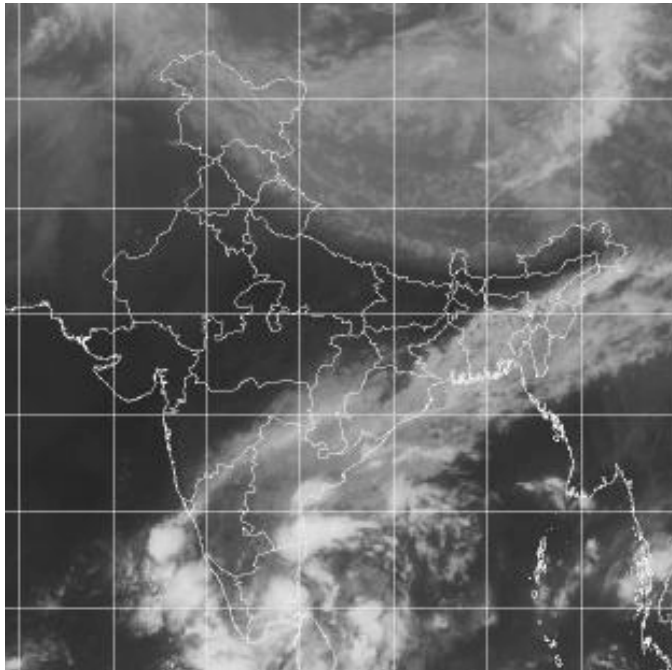
#### INTRADAY TRADE RECOMMENDATION:

Please Stay away from the market

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

Commodity	Centres	28.10.06	27.10.06	Change
Guar Seed	Bikaner	1800	1850-1860	-50.00
	Jodhpur	1950	1980-2000	-30.00
	Nokha	1795	1830-1850	-35.00
	Sriganganagar	1800	1830-1850	-30.00
Guar Gum	Jodhpur	5044	5252-5300	-208.00

## SATELLITE PICTURE OF MONSOON PROGRESS (28.10.06)



### Monsoon Outlook (28.10.06)

- A low pressure area has formed over southwest Bay off Tamil Nadu coast. The cyclonic circulation over southeast Arabian Sea off Kerala and Karnataka coasts persists. Under their influence fairly widespread rainfall is likely over south peninsula during next 3-4 days.

### 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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