

## GUAR DAILY

October 11<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Bullish sentiment is continued at majority of domestic market on active buying of stockiest. Nokha markets reported no arrivals as stockiest are not interested to release their stocks at the present price level. According to the traders of that mandi, the stockiest have been waiting for the good hike in the price level. However, mostly sideways tone of futures doesn't support the physical market to touch the sky level. The medium quality of guar seed is also restricted the prices to offer higher further. Good export demand for guar gum is reported from China and America. However, the price will be decreasing tandem with the increase in arrivals.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed downward tone initially on increased profit booking interest following a weak opening. However at some lower level buying interest again supports the futures. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1821-1858 per qtl, while the most active November contract moved in the range of Rs. 1867-1903 per qtl. Guar Gum October contract traded in the range of Rs. 4662-4725 per qtl, while the most active November contract moved in the range of Rs. 4744-4826 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Anticipation of higher production about 75-80 lakhs bags as against last year 50-55 l. bags
2. Medium quality of guar seed in the physical market

##### Bullish:

3. Decreasing carry forward stocks (about 20 lakhs bags) as compared to 40-45 lakhs bags last year
4. Buying speculation at futures
5. Good export demand

#### WEATHER IMPACT:

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

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

Commodity	Centres	10.10.06	09.10.06	Change
Guar Seed	Bikaner	1760-1770	1725-1730	+40.00
	Jodhpur	1875-1885	1875-1880	+5.00
	Nokha	1710	1680-1690	+20.00
	Sriganganagar	1710	1690	+20.00
Guar Gum	Jodhpur	4625-4650	4650	-

#### TECHNICALS:

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

#### OUTLOOK:

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

#### NCDEX Guar Seed November Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1840	1854	1881	1926	1944
Guar Gum Nov.	4701	4742	4780	4869	4921

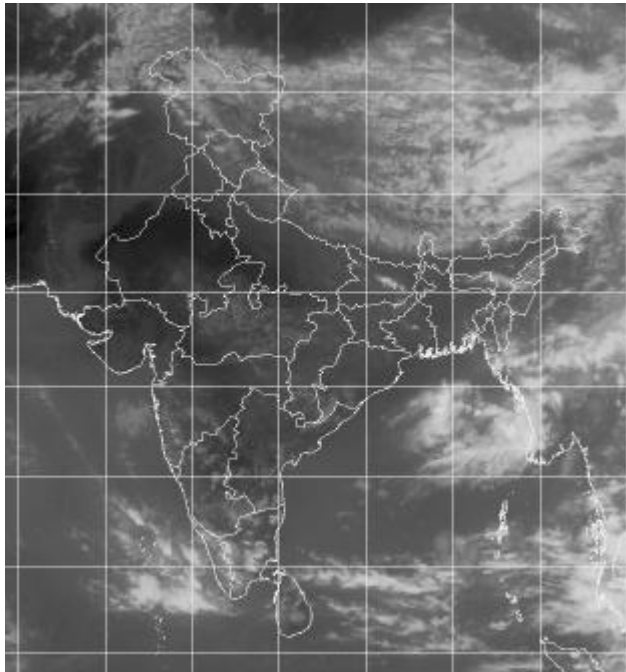
#### INTRADAY TRADE RECOMMENDATION:

**BUY NCDEX- November Guar Seed** at 1865-1875 with **target** of 1900 then 1915 **Stop loss** at 1855.

**BUY NCDEX- November Guar Gum** at 4750-4770 with **target** of 4800 then 4850 **Stop loss** at 4730.

**Do not carry forward the position until the next day.**

## SATELLITE PICTURE OF MONSOON PROGRESS (10.10.06)



### Monsoon Outlook (10.10.06)

- Yesterday's low pressure area over east central & adjoining northeast Bay of Bengal persists
- The off-shore trough now extends from Konkan & Goa to Kerala coast.

### Heavy Rainfall Warning:

- Isolated heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka and Kerala.

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

- Scattered to fairly widespread rainfall activity is likely over south peninsula and along east coast.

Source: GOI (IMD)

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