

## GUAR DAILY

October 25<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar sentiments remained mostly steady to weak on some fresh arrivals. The continued speculative selling at futures market has mainly pressurized the spot market tone. The arrival is reportedly 60000 bags in all over India during Monday. The pace of arrivals is somewhat restricted due to the celebration of Diwali. The active buyers are the stockiest. They are more interested to increase their stock position to get more profit in the off-season. 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. The sentiment might be in pressure further with the peak arrivals ahead. However good buying demand would recover the market from the lower price level.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed some downwards trade following a weak opening. Increased selling interest at higher levels slid down the futures at some lower levels and settled red. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1855-1898 per qtl, while the most active December contract moved in the range of Rs. 1891-1938 per qtl. Guar Gum November contract traded in the range of Rs. 4710-4805 per qtl, while the most active December contract moved in the range of Rs. 4825-4925 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Anticipation of higher production about 75-80 lakh bags as against last year 50-55 l. bags
2. Fresh arrivals around 60000 bags in all over India
3. Increased sellers activities at futures market
4. Some lower activities at market

##### Bullish:

5. 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.

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

Commodity	Centres	23.10.06	20.10.06	Change
Guar Seed	Bikaner	1790	1840	-50.00
	Jodhpur	1900	1925	-25.00
	Nokha	1820	Closed	-
	Sriganganagar	1820	1820	-
Guar Gum	Jodhpur	4940	5018	-78.00

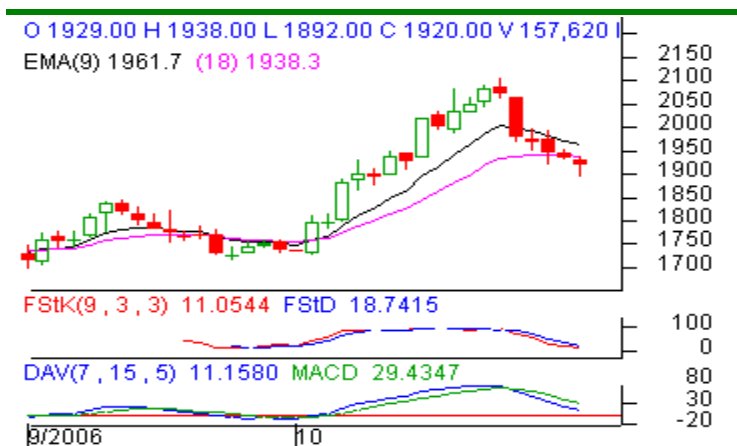
#### TECHNICALS:

Candlestick pattern is indicating bearish sentiment. However, buying takes place at the lower prices. Stochastic is in oversold region. % K line along with %D line moving downwards further. 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 slightly upwards initially following a steady to firm opening and downward movement later.

#### NCDEX Guar Seed December Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1876	1890	1920	1958	1972
Guar Gum Dec.	4774	4799	4902	4981	5005

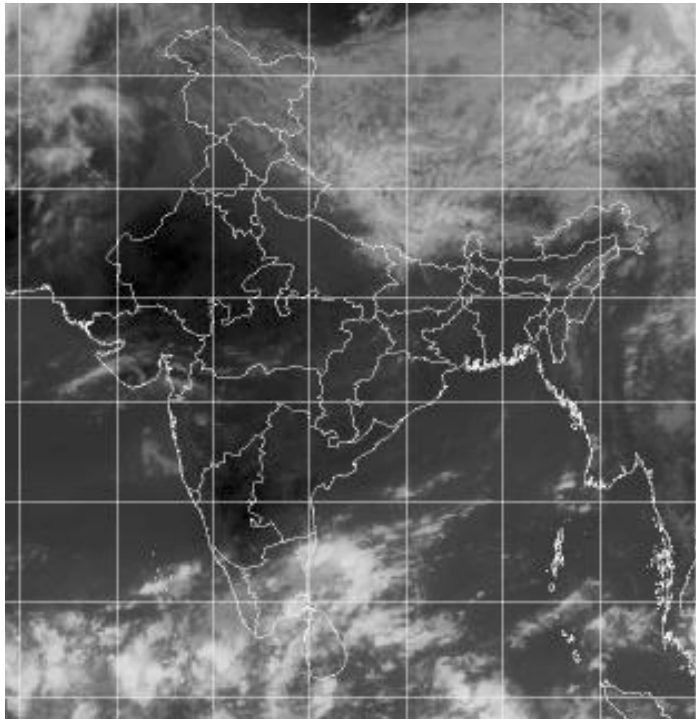
#### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- December Guar Seed above 1935-1945 with target of 1910 then 1895 Stop loss at 1955.

**SELL** NCDEX- December Guar Gum above 4940-4960 with target of 4890 then 4860 Stop loss at 4980.

Do not carry forward the position until the next day.

## SATELLITE PICTURE OF MONSOON PROGRESS (23.10.06)



### Monsoon Outlook (23.10.06)

- Under the influence of the western disturbance scattered rainfall is likely over Western Himalayan region during next 1-2 days

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

- A fresh western disturbance is approaching and is likely to cause scattered rainfall activity over Western Himalayan region.
- The ongoing rainfall activity is likely to continue over south peninsula.

Source: GOI (IMD)

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