

GUAR DAILY

October 14th, 2006

GUAR

SPOT MARKETS:

Guar market witnessed a sharply upward sentiments on active buying support. The stockiest as well as millers are very interested to increase their stock position. The speculation of higher prices on good domestic as well as export demand lifted the guar sentiments. The traders are also interest to hedge the commodity against futures. The all India arrival is about 50-55 thousand bags. Some market of Rajasthan as well as Haryana enjoying fresh arrivals but higher moisture contain of the fresh crops is reported. On the other hand, some markets reported no arrivals even at higher price levels as stockiest are not in mood to release their stock at present price level. The price will be decreasing tandem with the increase in arrivals likely from the coming week.

FUTURES MARKETS:

Guar seed futures at the NCDEX surge up on increased buying interest following a weak opening. Speculative buying interest lifted the futures much higher levels. However, profit booking capped the early gains thereafter. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1895-1972 per qtl, while the most active November contract moved in the range of Rs. 1933-2020 per qtl. Guar Gum October contract traded in the range of Rs. 4860-5050 per qtl, while the most active November contract moved in the range of Rs. 4916-5160 per qtl.

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production about 75-80 lakh bags as against last year 50-55 l. bags
2. Profit booking at some higher levels at futures

Bullish:

3. Decreasing carry forward stocks (about 20 lakh bags) as compared to 40-45 lakh bags last year
4. Good export demand
5. Stockiest willingness to increase stocks

WEATHER IMPACT:

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

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	13.10.06	12.10.06	Change
Guar Seed	Bikaner	1910	1830-1850	+60.00
	Jodhpur	2010-2025	1930-1950	+75.00
	Nokha	1900	1810-1820	+80.00
	Sriganganagar	1900	1820-1830	+70.00
Guar Gum	Jodhpur	5050-5100	4850	+225.00

TECHNICALS:

Candlestick pattern is showing weak opening. Stochastic is in overbought region and moving slightly 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 downwards initially following a weak opening and some upwards movement later.

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1925	1939	1971	2008	2024
Guar Gum Nov.	4900	4930	5028	5100	5162

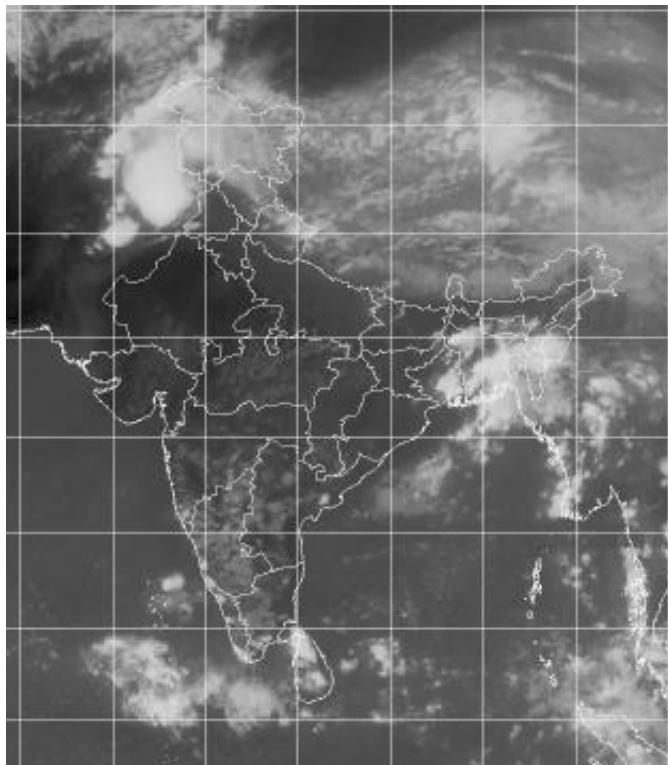
INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- November Guar Seed at 1950-1960 with target of 1985 then 2000 Stop loss at 1940.

BUY NCDEX- November Guar Gum at 4960-4980 with target of 5030 then 5060 Stop loss at 4940.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (13.10.06)



Monsoon Outlook (13.10.06)

- Southwest monsoon has withdrawn from the remaining parts of Jharkhand & Chhattisgarh, most parts of Maharashtra & Orissa, some more parts of Gangetic West Bengal and some parts of North Interior Karnataka & Telangana. The withdrawal line passes through Cooch Behar, Midnapore, Bhubaneswar, Hyderabad, and Ratnagiri.
- A 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)

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

Source: GOI (IMD)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd