

## GUAR DAILY

October 13<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar sentiments remained steady at some higher level. The stockiest as well as millers are the active buyers. The all India arrival is about 50-55 lakh bags. Some markets reported no arrivals even at higher price levels. As stockiest are not in mood to release their stock at present price level. Good as well as medium quality guar seed is in the market. The demand of good quality is higher among the millers. Moreover, speculative buying activities at the futures market supported the physical market sentiments. The traders are also interest to hedge the commodity against futures. However, the price will be decreasing at the time of peak arrivals of fresh crops.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed somewhat upward tone on increased buying interest following a firm opening. However, at some higher-level profit booking interest pressurized the sentiments. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1892-1920 per qtl, while the most active November contract moved in the range of Rs. 1940-1980 per qtl. Guar Gum October contract traded in the range of Rs. 4833-4930 per qtl, while the most active November contract moved in the range of Rs. 4935-5045 per qtl.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

2. Decreasing carry forward stocks (about 20 lakh bags) as compared to 40-45 lakh bags last year
3. Buying speculation at futures
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 dry wind may harm the crops.

#### 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.	1900	1918	1945	2008	2028
Guar Gum Nov.	4865	4890	4950	5064	5100

#### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- November Guar Seed at 1925-1935 with target of 1960 then 1975 Stop loss at 1915.

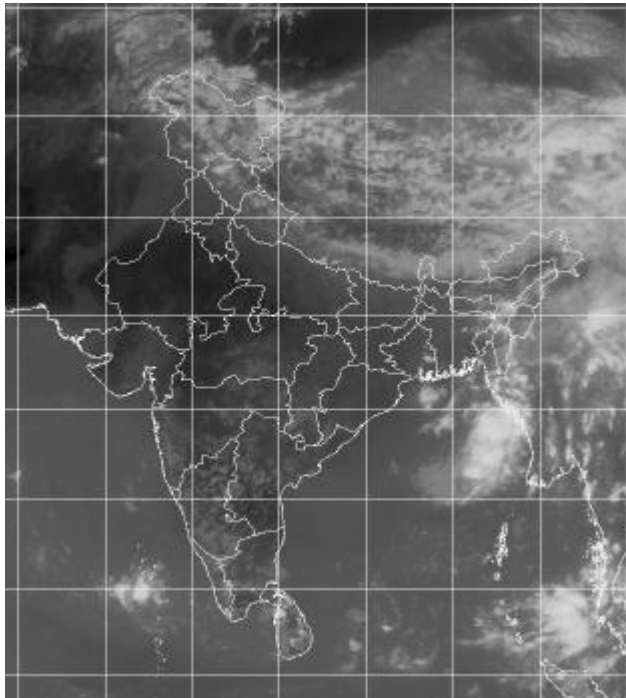
**BUY** NCDEX- November Guar Gum at 4910-4930 with target of 4970 then 4995 Stop loss at 4895.

Do not carry forward the position until the next day.

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

Commodity	Centres	12.10.06	11.10.06	Change
Guar Seed	Bikaner	1830-1850	1825-1850	-
	Jodhpur	1930-1950	1930-1935	+15.00
	Nokha	1810-1820	1830	-10.00
	Sriganganagar	1820-1830	1840	-10.00
Guar Gum	Jodhpur	4850	4850	-

## SATELLITE PICTURE OF MONSOON PROGRESS (12.10.06)



### Monsoon Outlook (12.10.06)

- The low pressure area over east central & adjoining northeast Bay of Bengal now lies over northeast Bay of Bengal & neighbourhood.
- The off-shore trough from south Konkan & Goa to Kerala coast persists.
- The current meteorological analysis suggests that ongoing rainfall activity over extreme south peninsular India is likely to increase during next 2-3 days.

### 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)

- Increase in the rainfall activity over Tamil Nadu & Pondicherry and adjoining peninsular India.

**Source:** GOI (IMD)

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