

## GUAR DAILY

October 23<sup>rd</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar sentiments continued weak on the advice of futures market. The arrival is reportedly steady at 60000-70000 bags in all over India during Friday. The market activity is somewhat restricted on the celebration of Diwali. The major stockiest of the commodity 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. In Jodhpur mandis the meager arrivals is reported. Some of the average scale mill owners have been waiting for the dips in guar seed prices. The stock position among retailers is reportedly very low. The sentiment might be in pressure further with the peak arrivals likely from the coming week. However good buying demand would recover the market from the lower price level.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed sharply downwards trade following a firm opening. Increased selling interest at higher levels slid down the futures and settled red. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1882-1946 per qtl, while the most active December contract moved in the range of Rs. 1917-1994 per qtl. Guar Gum November contract traded in the range of Rs. 4755-4995 per qtl, while the most active December contract moved in the range of Rs. 4891-5084 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 60000-70000 bags in all over India
3. Increased sellers activities at futures market

##### Bullish:

4. 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	20.10.06	19.10.06	Change
Guar Seed	Bikaner	1840	1860	-20.00
	Jodhpur	1925	1940-1950	-15.00
	Nokha	Closed	1830	-
	Sriganganagar	1820	1840	-20.00
Guar Gum	Jodhpur	5018	5050-5070	-32.00

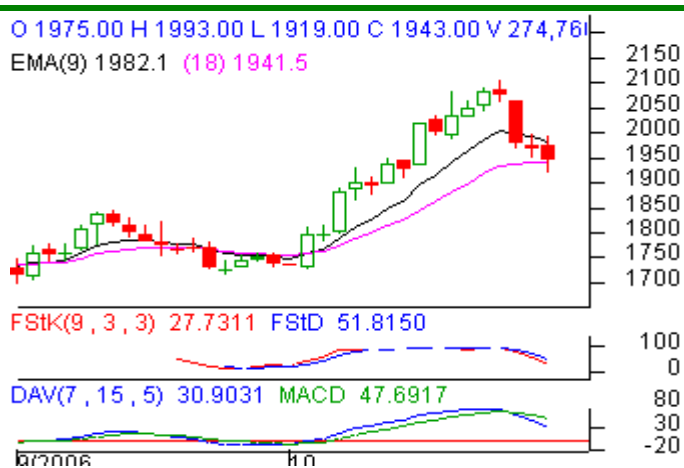
#### TECHNICALS:

Candlestick pattern is indicating bearish sentiment. Stochastic is in normal region. % K line after crossing %D line from the above moving down towards oversold region. MACD is in positive territory and moving downwards. Prices closed in between 9-day and 18-day EMA. Indicating weak sentiments.

#### OUTLOOK:

Guar seed is likely to trade slightly upwards 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.	1860	1877	1943	1981	1991
Guar Gum Dec.	4770	4808	4943	5007	5051

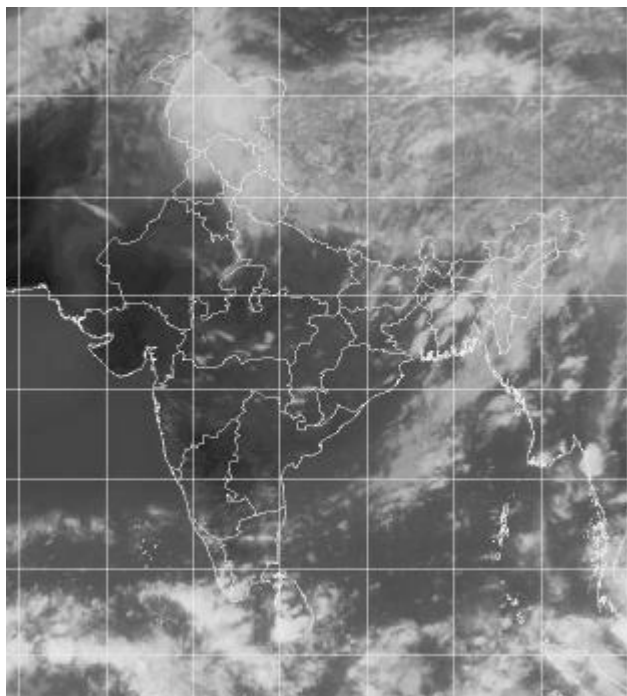
#### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- December Guar Seed above 1955-1965 with target of 1920 then 1900 Stop loss at 1980.

**SELL** NCDEX- December Guar Gum above 4965-4985 with target of 4915 then 4885 Stop loss at 5005.

Do not carry forward the position until the next day.

## SATELLITE PICTURE OF MONSOON PROGRESS (20.10.06)



### Monsoon Outlook (20.10.06)

- Under the influence of a western disturbance, light to moderate rainfall has occurred at many places over western Himalayan Region and Indo-Gangetic plains during past 24 hours.
- The ongoing rainfall activity over northwest India is likely to continue during next 24 hours. Subsequently, with the eastward movement of the western disturbance, the rainfall activity over northwest India is likely to decrease/cease from tomorrow onwards.
- With the setting of northerly winds, night temperature are likely to fall by 2-4 deg C over northwest India during next 2-3 days.

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

- The ongoing rainfall activity is likely to continue over south peninsula.

**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