

GUAR DAILY

October 12th, 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. Nokha markets reported no arrivals even at higher price levels. According to some stockiest the arrival is likely to Rs. 2000 price level. The speculation of higher prices on good domestic as well as export demand is surge up the guar sentiments. Moreover, speculative buying activities at the futures market supported the up trend at physical. 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 sharply upward tone following a firm opening. The increased buying motives lifted the futures and settled at day's high in final action. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1846-1906 per qtl, while the most active November contract moved in the range of Rs. 1891-1964 per qtl. Guar Gum October contract traded in the range of Rs. 4715-4874 per qtl, while the most active November contract moved in the range of Rs. 4829-4976 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 pod filling 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 firm opening. Stochastic is in overbought region and moving upwards. MACD is in positive territory and moving upwards. Prices closed above 9-day and 18-day EMA. Indicating bullish trading.

OUTLOOK:

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

NCDEX Guar Seed November Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1912	1931	1964	2014	2038
Guar Gum Nov.	4870	4905	4976	5051	5098

INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- November Guar Seed at 1945-1955 with target of 1980 then 1995 **Stop loss** at 1935.

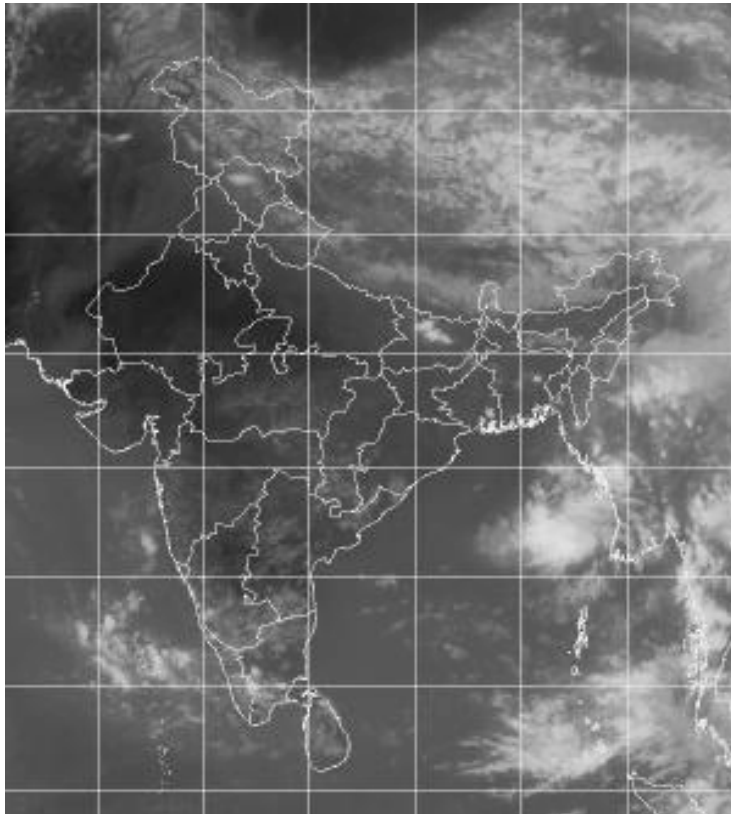
BUY NCDEX- November Guar Gum at 4935-4955 with target of 5005 then 5035 **Stop loss** at 4915.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	11.10.06	10.10.06	Change
Guar Seed	Bikaner	1825-1850	1760-1770	+80.00
	Jodhpur	1930-1935	1875-1885	+50.00
	Nokha	1850	1710	+140.00
	Sriganganagar	1850	1710	+140.00
Guar Gum	Jodhpur	4850	4625-4650	+200.00

SATELLITE PICTURE OF MONSOON PROGRESS (11.10.06)



Monsoon Outlook (11.10.06)

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