

## GUAR DAILY

October 09<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

A range bound tone is witnessed in majority of the domestic markets. Domestic demand remained good in the scenario of decreasing carry forward stocks. Stockiest are not interested to release their stocks at the present price level. They are optimistic about rising guar prices in coming futures. Good export demand for guar gum is reported from China and America. However, some fresh arrivals at Sriganganagar as well as Haryana is reported. The peak arrivals will be after Diwali in all the major markets. The price will be decreasing tandem with the increase in arrivals.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed downward tone initially on profit booking interest following a firm opening. However, increased buying support at some lower level recovered the futures. At the NCDEX, Guar Seed October contract traded in the range of Rs. 1792-1825 per qtl, while the most active November contract moved in the range of Rs. 1834-1870 per qtl. Guar Gum October contract traded in the range of Rs. 4552-4668 per qtl, while the most active November contract moved in the range of Rs. 4660-4737 per qtl.

#### PRICE DRIVERS:

##### Bearish:

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

##### Bullish:

2. Decreasing carry forward stocks (about 20 lakhs bags) as compared to 40-45 lakhs bags last year
3. Buying speculation at futures
4. Good export demand

#### 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 weak opening. Stochastic is in oversold region and moving upwards. MACD is in positive territory and moving upwards. Prices closed above 9-day and 18-day EMA. Indicating some firm trading.

#### OUTLOOK:

Guar seed is expected to trade upwards initially following a weak opening with possibility of some downwards movement later.

#### NCDEX Guar Seed November Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Nov.	1811	1820	1852	1893	1915
Guar Gum Nov.	4607	4630	4700	4798	4849

#### INTRADAY TRADE RECOMMENDATION:

**BUY NCDEX- November Guar Seed** at 1830-1840 with target of 1865 then 1880 **Stop loss** at 1820.

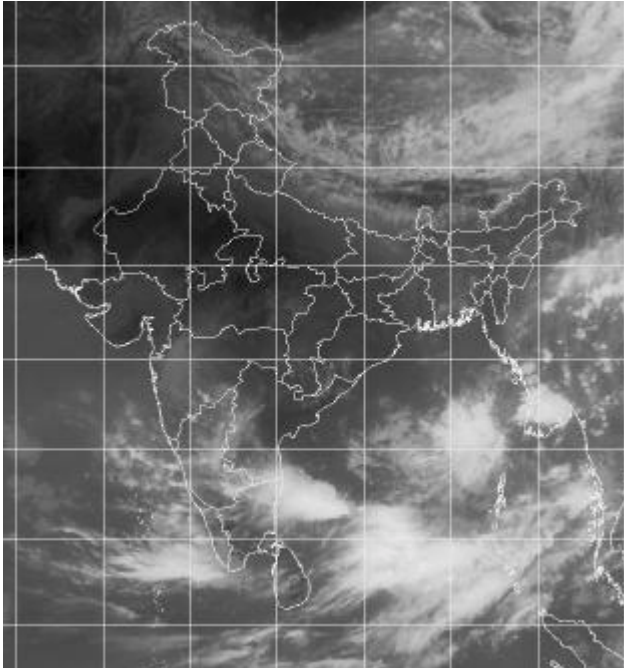
**BUY NCDEX- November Guar Gum** at 4650-4670 with target of 4710 then 4735 **Stop loss** at 4635.

Do not carry forward the position until the next day.

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

Commodity	Centres	07.10.06	06.10.06	Change
Guar Seed	Bikaner	1700-1710	1710-1720	-
	Jodhpur	1860	1860-1875	-
	Nokha	1690	1690	-
	Sriganganagar	1690	1700	-10
Guar Gum	Jodhpur	4650	4650-4675	-

## SATELLITE PICTURE OF MONSOON PROGRESS (07.10.06)



### Monsoon Outlook (07.10.06)

- An off-shore trough extends from Karnataka to Kerala coast.
- Main rainfall activity is likely to remain confined to south peninsula during next 2-3 days
- A north-south trough extends from northeast Bay of Bengal to southwest Bay of Bengal with embedded upper air cyclonic circulations, one over northeast Bay of Bengal and another over southwest & adjoining west-central Bay of Bengal.
- Conditions are favourable for further withdrawal of southwest monsoon from east & central parts of India during next 48 hours.

### Heavy Rainfall Warning:

- Isolated heavy to very heavy falls are likely over Andaman & Nicobar Islands, Coastal Karnataka, Kerala and Lakshadweep.

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

- Enhanced rainfall activity likely to continue over Andaman & Nicobar Islands.
- Scattered rainfall is likely over south peninsula.

Source: GOI (IMD)

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