

## GUAR DAILY

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

### GUAR

#### SPOT MARKETS:

Guar seed offered in physical markets at some higher prices on the sharply bullish tone of futures market at late hours. However, almost all the markets are witnessed continuous flow of fresh arrivals. The average intake in the market is reported to be around 60000-70000 bags on all over India. The demand at the market yards reported improved due to the speculative buying at futures market. The Stockists remained active buyers. Mill owners have been waiting for the increase in guar gum prices while some decline at guar seed prices. Traders are optimistic about rising in guar prices in short period on good demand. Peak arrivals might be pressurized the market sentiments on the coming days.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX traded with bearish tone initially following a weak opening. However, speculative buying interest at lower levels supported the futures and traded upwards thereafter. Finally the futures settled green with some gains. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1878-1940 per qtl, while the most active December contract moved in the range of Rs. 1912-1959 per qtl. Guar Gum November contract traded in the range of Rs. 4801-4890 per qtl, while the most active December contract moved in the range of Rs. 4897-4995 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Expectation of higher production around 75-80 lakh bags over 50-55 l. bags of last year
2. The arrival is reportedly increase about 65000-75000 bags

##### Bullish:

3. Farmers unwillingness to release their stocks at lower price levels
4. Speculative buying interest at futures market

#### WEATHER IMPACT:

Harvesting of Guar crop in Rajasthan, Haryana and Gujarat is in progress. Weather is mostly conducive for the harvest in the guar growing belts.

#### TECHNICALS:

Candlestick pattern is hinting to sideways movement. The stochastic is in normal region. The %K line has made bullish crossover with the %D line. MACD is in negative territory and moving slightly upwards. Prices closed above 9-day and 18-day EMA. Indicating sideways sentiment.

#### OUTLOOK:

Guar seed is likely to move some upward initially following steady to weak opening with possibility of downwards movement late hours.

#### NCDEX Guar Seed December Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1920	1934	1950	1984	1998
Guar Gum Dec.	4857	4901	4972	5086	5117

#### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- December Guar Seed above 1945 with target of 1870 then 1882 Stop loss at 1930.

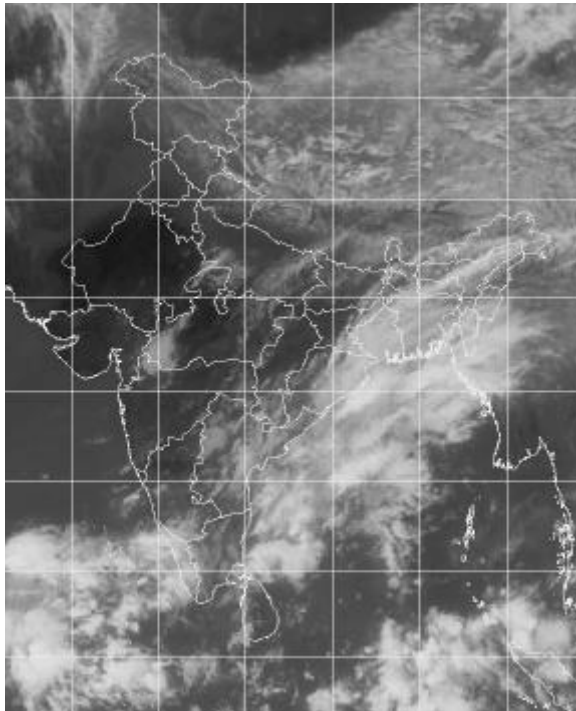
**BUY** NCDEX- December Guar Gum above 4945 with target of 5005 then 5035 Stop loss at 4915.

Do not carry forward the position until the next day.

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

Commodity	Centres	08.11.06	07.11.06	Change
Guar Seed	Bikaner	1835	1825	+10.00
	Jodhpur	1920	1900	+20.00
	Nokha	1810	1800	+10.00
	Sriganganagar	1800	1780	+20.00
Guar Gum	Jodhpur	5050	5018	+32.00

## SATELLITE PICTURE OF MONSOON PROGRESS (08.11.06)



### Monsoon Outlook (08.11.06)

- Night temperatures are continuing to be above normal by about 3-6° C over plains of northwest India and adjoining central India. The current meteorological analysis suggests fall in night temperatures over the plains of northwest India during next 2-3 days.
- Under the influence of an easterly wave, fairly widespread rainfall with isolated heavy falls are likely over Tamil Nadu & Pondicherry, Kerala and coastal Andhra Pradesh during next 2-3 days. Scattered to fairly widespread rainfall is also likely along the remaining parts of east coast and south peninsula during the same period.

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

- Scattered rainfall activity is likely over south peninsula.
- Decrease in rainfall activity over east India.

**Source:** GOI (IMD)

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