

## GUAR DAILY

November 15<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Almost steady sentiment is prevailed in majority of domestic guar market on good demand amidst steady arrivals. The intake is reportedly 55,000-60,000 bags in all over India. Millers demand is somewhat improved. The Stockists remained active buyers. A range bound sentiment in next couple of days is expected by majority of traders. The farmers are interested in releasing their stocks slowly. Speculation of bullish sentiments in medium term is playing a vital role among farmers. The arrivals are likely to increase further at higher price levels.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX traded with bearish tone following a weak opening. Increased selling pressure at the higher level slid down the futures and settled red. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1902-1917 per qtl, while the most active December contract moved in the range of Rs. 1935-1959 per qtl. Guar Gum November contract traded in the range of Rs. 4855-4904 per qtl, while the most active December contract moved in the range of Rs. 4955-5010 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Increased selling pressure at higher level in futures market
2. Lackluster trading activities at spots

##### Bullish:

3. Farmers unwillingness to release their stocks at lower price levels
4. The arrival is reportedly about 55000-60000 bags

#### 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 some bearish sentiments. Sellers mainly dominated the market at higher price levels. The stochastic is in normal region and moving downwards. The % K line has made bearish crossover with % D line. MACD is in negative territory and moving slightly upwards. Prices closed just above 9-day and 18-day EMA. Indicating sideways sentiment.

#### OUTLOOK:

Guar seed is likely to move slightly upwards initially following a steady to weak opening and of late downward movement.

#### NCDEX Guar Seed December Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1902	1920	1948	1978	1998
Guar Gum Dec.	4890	4928	4995	5070	5110

#### INTRADAY TRADE RECOMMENDATION:

**SELL** NCDEX- December Guar Seed below 1960 with target of 1935 then 1922 Stop loss at 1975.

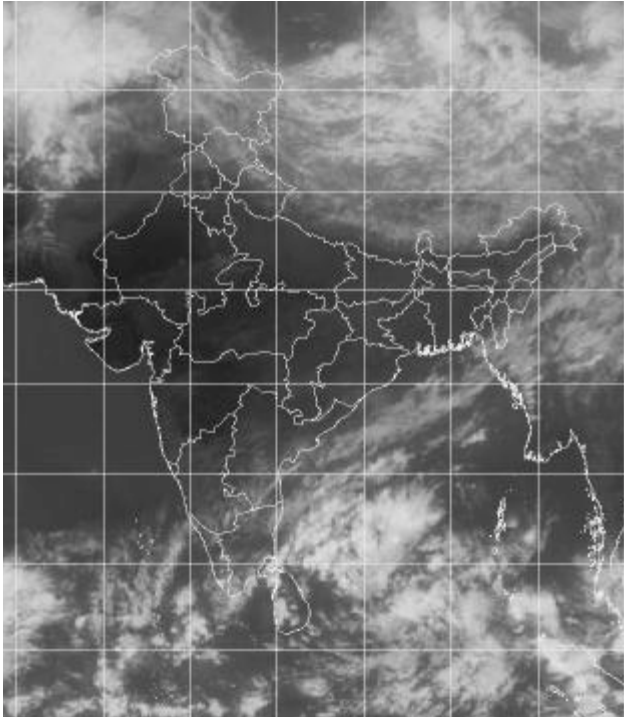
**SELL** NCDEX- December Guar Gum below 5040 with target of 4980 then 4950 Stop loss at 5070.

Do not carry forward the position until the next day.

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

Commodity	Centres	14.11.06	13.11.06	Change
Guar Seed	Bikaner	1850-1860	1860	-
	Jodhpur	1925-1950	1940-1950	-
	Nokha	1830	1840	-10.00
	Sriganganagar	1820	1820	-
Guar Gum	Jodhpur	5050-5100	5150	-50.00

## SATELLITE PICTURE OF MONSOON PROGRESS (14.11.06)



### Monsoon Outlook (14.11.06)

- Night temperatures are above normal by 4-6 °C over most parts of northwest and adjoining central India. No significant change is expected in night temperatures over these regions during next 2-3 days.
- Ongoing rainfall activity over south Peninsula is likely to continue during next 48 hours. However, with the likely strengthening of easterly wave, the rainfall activity is likely to increase over this region from 16th onwards.
- A fresh western disturbance is likely to approach and cause scattered precipitation over Western Himalayan Region around 16th onwards.

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

- Fairly widespread rainfall activity over extreme south peninsula.
- Scattered rain/snowfall over Western Himalayan Region.

Source: GOI (IMD)

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