

GUAR DAILY

November 07th, 2006

GUAR

SPOT MARKETS:

Guar seed prices tumbled down in sympathy with the NCDEX futures market. The demand at the market yards witnessed very sluggish on Monday. The average intake in the market is reported to be steady to slight up around 65000-75000 bags on all over India. The fresh arrival around 5000 bags at Nokha and 7000 bags in Bikaner market is reported. The market was down in these markets. The Stockists remained inactive. Peak arrivals might be pressurized the market sentiments on the coming days. Traders are optimistic about recovery in guar prices in short period on good demand.

FUTURES MARKETS:

Guar seed futures at the NCDEX are trading bearish following weak opening amidst speculative selling and lack of buyers at higher level. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1896-1919 per qtl, while the most active December contract moved in the range of Rs. 1934-1962 per qtl. Guar gum futures at the NCDEX traded with bearish tone after weak opening. At the NCDEX, Guar Gum November contract traded in the range of Rs. 4840-4950 per qtl, while the most active December contract moved in the range of Rs. 4931-4990 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
3. Poor demand at higher price levels

Bullish:

4. Farmers unwillingness to release their stocks at lower price levels

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.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	06.11.06	04.11.06	Change
Guar Seed	Bikaner	1820-1825	1840-1845	-20.00
	Jodhpur	1875	1925	-50.00
	Nokha	1770-1790	1800-1820	-20.00
	Sriganganagar	1750	1780	-30.00
Guar Gum	Jodhpur	4800-4900	4950-5050	-150.00

TECHNICALS:

Candlestick pattern is hinting to bearish market while %K line is going up and prevailed above %D line at neutral region. MACD is in positive territory and indicating steady market as medium terms. Prices closed below 9-day and 18-day EMA. Indicating bearish sentiment.

OUTLOOK:

Guar seed is likely to remain weak following a strong opening with possibility of late upward movement.

NCDEX Guar Seed December Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1910	1930	1944	1965	1980
Guar Gum Dec.	4890	4921	4956	4996	5032

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- December Guar Seed below 1955 with target of 1930 then 1910 Stop loss at 1970.

SELL NCDEX- December Guar Gum below 4975 with target of 4925 then 4910 Stop loss at 5000.

Do not carry forward the position until the next day.

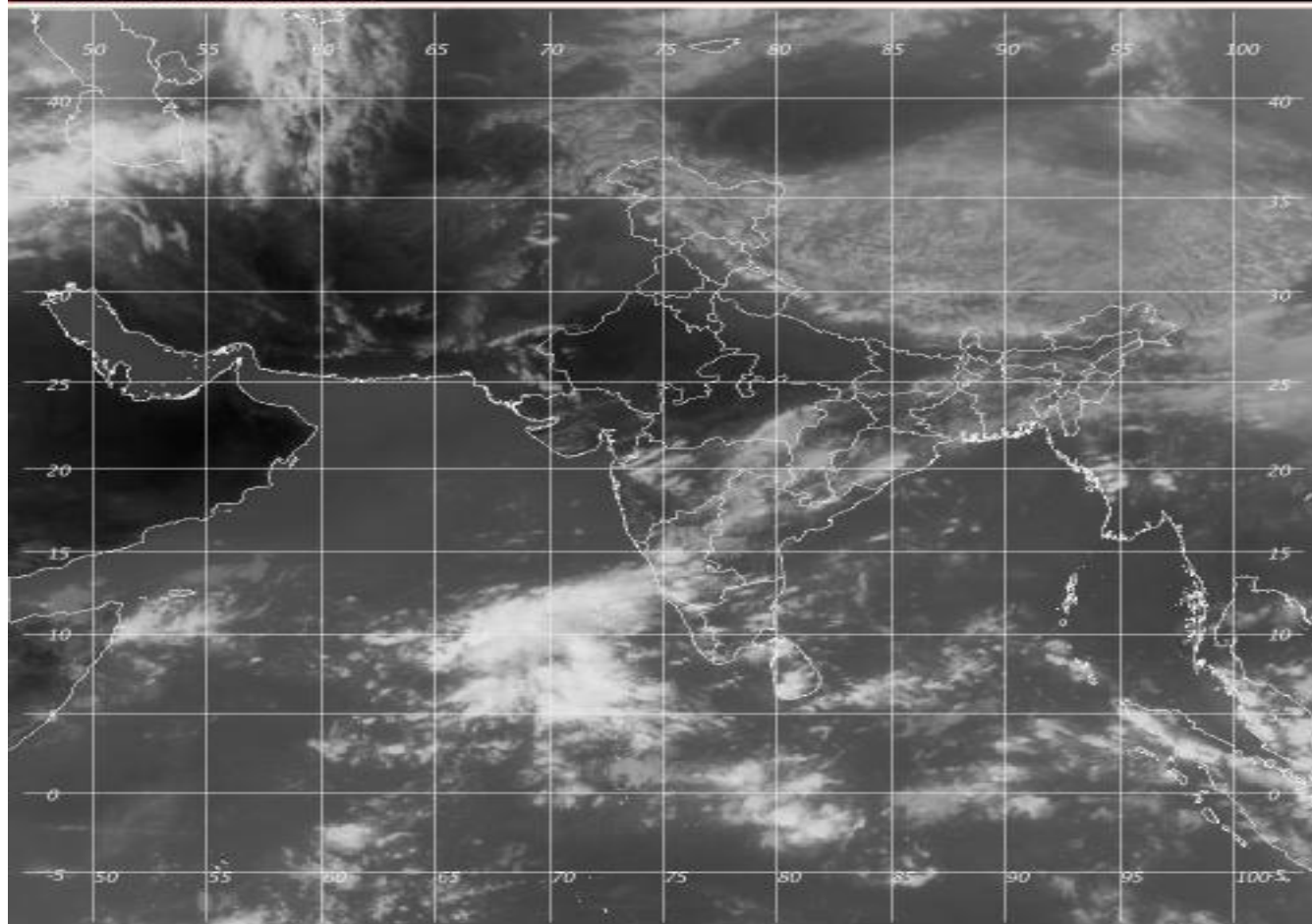
SATELLITE PICTURE OF MONSOON PROGRESS (06.11.06)

Proj:Mercator
ASIA_MER_IR

2006-11-06 09:00:02

Sat:Kalpana-1

TIR No Enhancement



Monsoon Outlook (06.11.06)

- Day temperatures are near normal over most parts of the country. However, night temperatures are 2-3° C above normal over many parts of the country. The current meteorological analysis suggests that the prevailing temperature scenario is likely to continue for next 2-3 days.
- With the approach of a fresh easterly wave, the ongoing rainfall is likely to increase along the entire east coast and interior Peninsula from 8th onwards for the next 2-3 days.

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

- Fairly widespread rainfall activity is likely over east coast and interior peninsula..

Source: GOI (IMD)

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