

## GUAR DAILY

November 18<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar offered mostly steady on good demand amidst steady arrivals. The arrival is reportedly 55,000-60,000 bags in all over India. The arrivals are increasing at Jodhpur and Bikaner. The thin trading activities at futures market restricted sharply bullish tone at spot. The crop position is good in Rajasthan as well as Haryana. Traders are expected higher production this time as against previous year. The stockists are in the mood of hoarding in the speculation of good profit in the future term. Millers make themselves at sidelines, as they really can't afford to the price levels. The farmers are interested in releasing their stocks slowly. Speculation of bullish sentiments in medium term is playing a vital role among farmers.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX traded with bullish tone on increased buying support following a weak opening. However selling interest at higher levels restricted the progress. Finally the futures settled green with some gains. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1950-1973 per qtl, while the most active December contract moved in the range of Rs. 1981-2015 per qtl. Guar Gum November contract traded in the range of Rs. 4963-5043 per qtl, while the most active December contract moved in the range of Rs. 5050-5170 per qtl.

#### PRICE DRIVERS:

##### Bearish:

1. Anticipation of higher production as compared to previous year
2. Thin trading activities at futures

##### Bullish:

3. Farmers unwillingness to release their stocks at lower price levels
4. Good stockists demand amidst steady arrivals

#### WEATHER IMPACT:

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

#### TECHNICALS:

Candlestick pattern is hinting firm sentiments. Buyers mainly dominated the market. The stochastic is in overbought region and moving upwards. MACD is in positive territory and moving upwards. Prices closed much above 9-day and 18-day EMA. Indicating bullish sentiment.

#### OUTLOOK:

Guar seed is likely to move upwards following a firm opening with possibility of late downwards movement

#### NCDEX Guar Seed December Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1964	1977	2005	2040	2053
Guar Gum Dec.	5000	5060	5140	5200	5275

#### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- December Guar Seed above 1990 with target of 2015 then 2027 Stop loss at 1977.

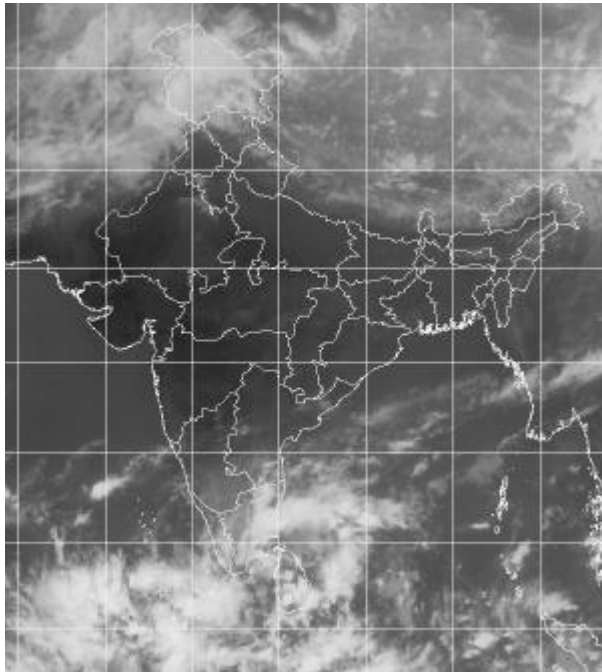
**BUY** NCDEX- December Guar Gum above 5090 with target of 5150 then 5175 Stop loss at 5065.

Do not carry forward the position until the next day.

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

Commodity	Centres	17.11.06	16.11.06	Change
Guar Seed	Bikaner	1900	1900	-
	Jodhpur	1950-1975	1975-2000	-
	Nokha	1840-1850	1850-1860	-
	Sriganganagar	1840-1850	1850	-
Guar Gum	Jodhpur	5100	5100-5200	-

## SATELLITE PICTURE OF MONSOON PROGRESS (17.11.06)



### Monsoon Outlook (17.11.06)

- Ongoing rainfall activity over extreme south peninsula is likely to increase where fairly widespread rainfall with isolated heavy falls are likely during next 48 hours.
- Night temperatures are 3-6 °C above normal over plains of northwest India. With the eastward movement of western disturbance which is currently located over Jammu & Kashmir, night temperatures are likely to fall by 2-3 °C during next 3 days over the region.

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

- A fresh western disturbance is likely to affect western Himalayan region.

Source: GOI (IMD)

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