

## GUAR DAILY

November 10<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar prices mostly offer with rangebound with firm undertone. The average intake in the market is reported to be around 60000-6500 bags on all over India. The farmers are not interested to release their stocks at lower price levels. The demand at the market yards reported steady on the lackluster trading activities of futures. 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 lower levels 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 indecisive market sentiments. The stochastic is in normal region. The %K line has made bullish crossover with the %D line and moving slightly upward. 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 slightly downwards initially following steady to firm opening and upward movement thereafter.

#### NCDEX Guar Seed December Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1887	1904	1941	1970	1990
Guar Gum Dec.	4855	4880	4954	5060	5100

#### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- December Guar Seed above 1925 with target of 1950 then 1962 Stop loss at 1910.

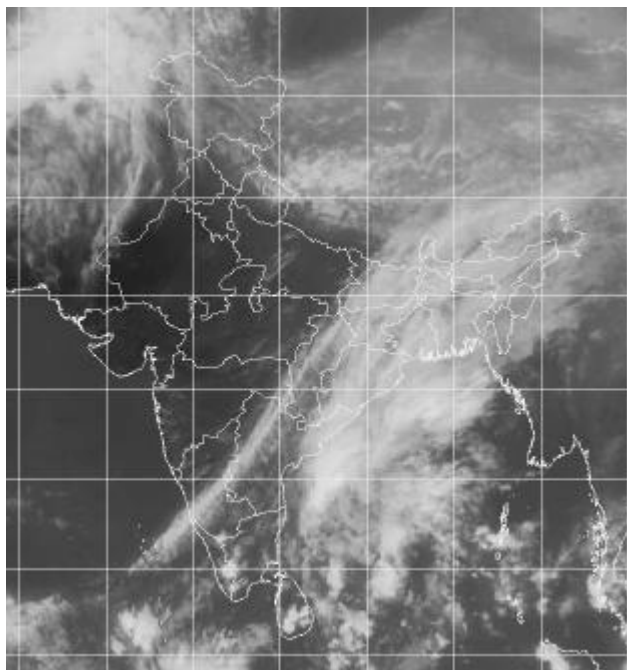
**BUY** NCDEX- December Guar Gum above 4910 with target of 4970 then 5000 Stop loss at 4880.

Do not carry forward the position until the next day.

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

Commodity	Centres	09.11.06	08.11.06	Change
Guar Seed	Bikaner	1845	1835	+10.00
	Jodhpur	1925	1920	+5.00
	Nokha	1800-1810	1810	-
	Sriganganagar	1800	1800	-
Guar Gum	Jodhpur	5050	5050	-

## SATELLITE PICTURE OF MONSOON PROGRESS (09.11.06)



### Monsoon Outlook (09.11.06)

- Under the influence of a western disturbance over north Pakistan and neighbourhood. Scattered rain/snowfall activity is likely to commence over Jammu & Kashmir from tonight. It is likely to continue during next 48 hours and also extend into Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers also likely over adjoining plains of northwest India on 10th and 11th.
- With the eastward movement of the above western disturbance, the temperature are likely to fall by 2-4 C over northwest India from 12th onwards and fog conditions are likely to develop..
- Under the influence of an easterly wave, fairly widespread rainfall with isolated heavy falls are likely over Tamil Nadu, Kerala, Coastal Andhra Pradesh, coastal areas of West Bengal and Orissa during next 2-3 days. Scattered rain/thundershowers is also likely over remaining parts of east India and south peninsula.

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

- Scattered rainfall activity is likely over south peninsula.
- Decrease in rainfall activity likely over northwest and east India.
- Decrease in temperatures and occurrence of fog likely over northwest India.

Source: GOI (IMD)

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