

GUAR DAILY

November 08th, 2006

GUAR

SPOT MARKETS:

Guar seed prices remained in pressure of continuous flow of fresh arrivals. The demand at the market yards reported steady. The average intake in the market is reported to be around 65000-75000 bags on all over India. Moreover, the lackluster trading activities at futures market is also kept physical market somewhat silent. The Stockists remained active buyers. Mill owners have been waiting for the increase in guar gum prices while some decline at guar seed prices. 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. The futures settled red at final action. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1881-1910 per qtl, while the most active December contract moved in the range of Rs. 1916-1950 per qtl. Guar Gum November contract traded in the range of Rs. 4805-4870 per qtl, while the most active December contract moved in the range of Rs. 4903-4975 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.

TECHNICALS:

Candlestick pattern is hinting to bearish market. The stochastic is in normal region and moving slightly downwards. The %K line has made bearish crossover with the %D line. MACD is in negative territory and indicating weak market sentiments in medium terms. Prices closed below 9-day and 18-day EMA. Indicating bearish sentiment.

OUTLOOK:

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

NCDEX Guar Seed December Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1867	1888	1916	1845	1964
Guar Gum Dec.	4805	4851	4903	4971	5029

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- December Guar Seed below 1928 with target of 1898 then 1883 Stop loss at 1943.

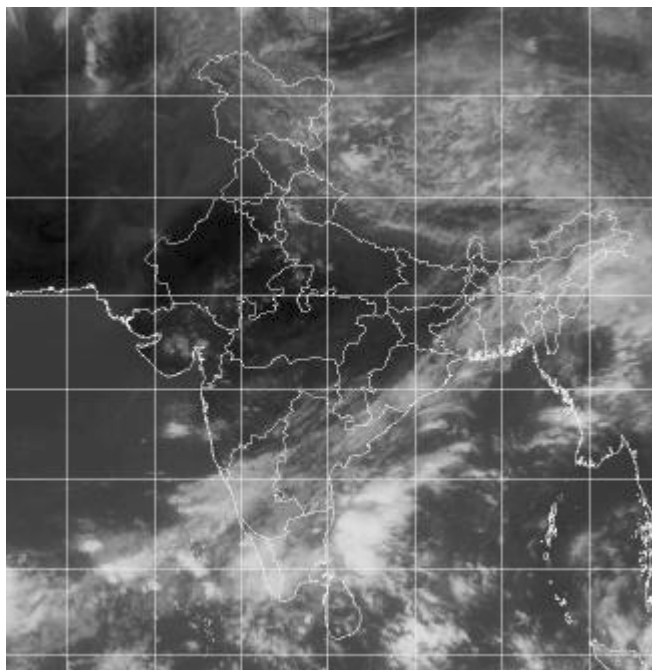
SELL NCDEX- December Guar Gum below 4945 with target of 4885 then 4855 Stop loss at 4975.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	07.11.06	06.11.06	Change
Guar Seed	Bikaner	1825	1820-1825	-
	Jodhpur	1900	1875	+25.00
	Nokha	1800	1770-1790	+10.00
	Sriganganagar	1780	1750	+30.00
Guar Gum	Jodhpur	5018	5000	+18.00

SATELLITE PICTURE OF MONSOON PROGRESS (07.11.06)



Monsoon Outlook (07.11.06)

- Night temperatures are prevailing between 16-18° C over plains of northwest and central India and are 3-5° C above normal. These above normal night temperature conditions are likely to continue with a possibility of further increase during next 2-3 days.
- Under the influence of an easterly wave, fairly widespread rainfall with isolated heavy falls is likely over Tamil Nadu & Pondicherry, Kerala and south coastal Andhra Pradesh during next 2-3 days. Scattered to fairly widespread rainfall is also likely along the remaining parts of east coast during the same period.

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

- Scattered to fairly widespread rainfall activity is likely along the east coast and over interior peninsula.

Source: GOI (IMD)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd