

## GUAR DAILY

November 24<sup>th</sup>, 2006

### GUAR

#### SPOT MARKETS:

Guar remains almost steady at the physical market on good demand amidst steady arrivals. Selling activities at higher price levels at the futures market restricted the further bullish tone at spots. The current price levels in different major markets of guar are higher as against the corresponding period of the last year. According to the traders in Rajasthan the total production in the current year is likely to be higher from the previous year's production of 5 lakhs MT. However, some sources reported that the current out put is likely to be lower from the early expectation. Export demand is remained steady so far but likely to increase in the coming days. The stockists are the active buyers. The farmers are looking forward for sharply bullish tone at coming future.

#### FUTURES MARKETS:

Guar seed futures at the NCDEX was bullish initially following a firm opening. However, selling interest at the higher levels pressurized futures and traded downwards thereafter. Finally the futures settled red with some losses. At the NCDEX, Guar Seed December contract traded in the range of Rs. 2061-2140 per qtl, while the most active January contract moved in the range of Rs. 2113-2150 per qtl. Guar Gum December contract traded in the range of Rs. 5245-5335 per qtl, while the most active January contract moved in the range of Rs. 5360-5462 per qtl..

#### PRICE DRIVERS:

##### Bearish:

1. Anticipation of higher production as compared to previous year
2. Selling interest at higher price levels at futures market

##### Bullish:

3. Farmers unwillingness to release their stocks at lower price levels
4. Good stockists demand amidst comparatively lower arrivals
5. Anticipation of lower production from early expectation

#### WEATHER IMPACT:

Harvesting of Guar crop in Rajasthan, Haryana and Gujarat is in peak progress. Weather is mostly conducive

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

Commodity	Centres	23.11.06	22.11.06	Change
Guar Seed	Bikaner	1950	1940-1950	-
	Jodhpur	2040	2040-2050	-
	Nokha	1860-1880	1890-1910	-10
	Sriganganagar	1900-1910	1915	-5
Guar Gum	Jodhpur	5200-5250	5200-5250	-

#### TECHNICALS:

Candlestick pattern is hinting somewhat weak sentiments. Sellers mainly dominated the market at higher price levels. 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 sideways tone.

#### OUTLOOK:

Guar seed futures are likely to move slightly downwards initially following a firm opening and some upwards movement thereafter.

#### NCDEX Guar Seed January Contract:



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Jan.	2080	2100	2125	2146	2160
Guar Gum Jan.	5280	5310	5380	5464	5489

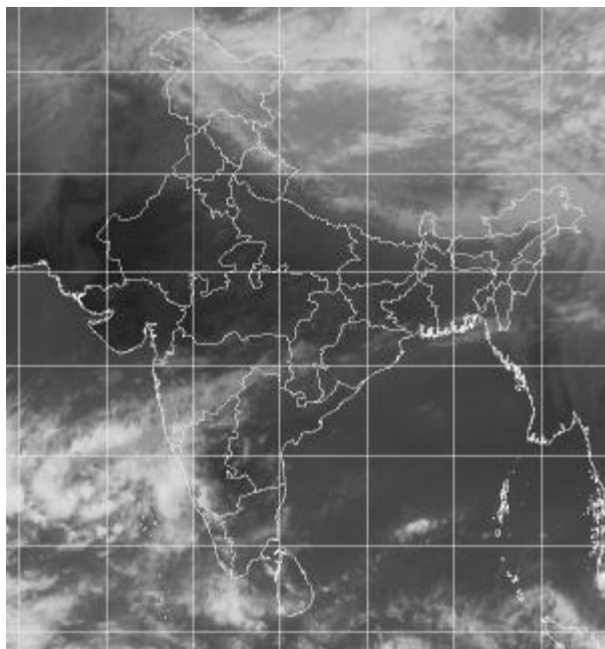
#### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- January Guar Seed above 2110 with target of 2135 then 2148 Stop loss at 2095.

**BUY** NCDEX- January Guar Gum above 5340 with target of 5400 then 5430 Stop loss at 5310.

Do not carry forward the position until the next day.

## SATELLITE PICTURE OF MONSOON PROGRESS (23.11.06)



### Monsoon Outlook (23.11.06)

- During past 24 hours light to moderate snowfall has occurred at a few places over Jammu & Kashmir and Himachal Pradesh. Light rain/thundershowers have also occurred at a few places over plains of northwest India. This precipitation activity is likely to cease from today onwards as the western disturbance has moved away eastwards.
- Night temperatures are likely to fall by 3-4 °C over northwest and adjoining central India during next 3 days. Mist/fog also likely in the morning in some parts of plains of northwest India.

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

- Scattered rainfall activity is likely over extreme south peninsula.

Source: GOI (IMD)

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