

GUAR DAILY

November 14th, 2006

GUAR

SPOT MARKETS:

Steady to firm sentiment has witnessed in majority of domestic guar market on good demand amidst comparatively weak arrivals. The intake has decreased to 50,000-55,000 bags in all over India. The farmers are not showing their interest to release their stocks at this price levels. Moreover, spillover-trading activities at futures market has also underpinned the sentiments. 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 medium term on good demand amidst decreased arrivals. The arrivals are likely to increase further at higher price levels.

FUTURES MARKETS:

Guar seed futures at the NCDEX traded with almost sideways tone following a firm opening. Increased selling pressure at the higher level capped the early gains and traded downwards. Finally the futures settled red with some losses. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1910-1935 per qtl, while the most active December contract moved in the range of Rs. 1944-1975 per qtl. Guar Gum November contract traded in the range of Rs. 4885-4969 per qtl, while the most active December contract moved in the range of Rs. 4985-5074 per qtl.

PRICE DRIVERS:

Bearish:

1. Increased selling pressure at higher level in futures market
2. Lackluster trading activities at spots

Bullish:

3. Farmers unwillingness to release their stocks at lower price levels
4. The arrival is reportedly lower about 50000-55000 bags

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	13.11.06	11.11.06	Change
Guar Seed	Bikaner	1860	1860	+10.00
	Jodhpur	1940-1950	1925-1930	+20.00
	Nokha	1840	1840	+20.00
	Sriganganagar	1820	1820	+10.00
Guar Gum	Jodhpur	5150	5100	+50.00

TECHNICALS:

Candlestick pattern is hinting some bearish sentiments. Sellers mainly dominated the market at higher price levels. The stochastic is in normal region and moving slightly upwards. MACD is in negative territory and moving slightly upwards. Prices closed below 9-day and 18-day EMA. Indicating sideways sentiment.

OUTLOOK:

Guar seed is likely to move downward initially following a steady to weak opening with possibility of upward movement thereafter.

NCDEX Guar Seed December Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1900	1915	1948	1970	1987
Guar Gum Dec.	4890	4928	4987	5060	5110

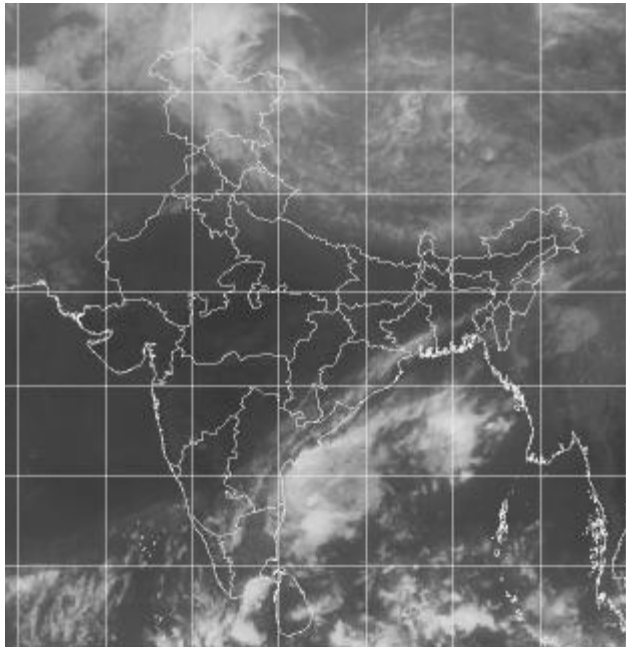
INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- December Guar Seed below 1957 with target of 1932 then 1917 **Stop loss** at 1970.

SELL NCDEX- December Guar Gum below 5030 with target of 4970 then 4940 **Stop loss** at 5060.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (12.11.06)



Monsoon Outlook (12.11.06)

- Under the influence of the western disturbance scattered rain/snowfall activity over Jammu & Kashmir region likely to continue for next 24 hours and decrease subsequently.
- Night temperatures are still above normal by 3-4 °C over most parts of north and central India but are likely to show decreasing trend from 13th onwards for next 2-3 days.

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

- Scattered rainfall is likely to continue over south peninsula.
- Scattered rainfall over Jammu & Kashmir region in view of fresh Western Disturbance.

Source: GOI (IMD)

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