

GUAR DAILY

November 17th, 2006

GUAR

SPOT MARKETS:

Guar sentiment remains almost steady on good demand amidst steady arrivals. The mostly sideways tone at futures market is restricted the progress of previous day. 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. The arrivals are likely to increase gradually at higher price levels.

FUTURES MARKETS:

Guar seed futures at the NCDEX traded with firm tone initially following a higher opening. However selling interest at higher levels restricted the advancement and traded downwards thereafter. Finally the futures settled red with some losses. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1953-1987 per qtl, while the most active December contract moved in the range of Rs. 1988-2022 per qtl. Guar Gum November contract traded in the range of Rs. 5020-5064 per qtl, while the most active December contract moved in the range of Rs. 5080-5201 per qtl.

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production as compared to previous year
2. Lackluster 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.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	16.11.06	15.11.06	Change
Guar Seed	Bikaner	1900	1900-1910	-
	Jodhpur	1975-2000	2000	-
	Nokha	1850-1860	1860	-
	Sriganganagar	1850	1850	-
Guar Gum	Jodhpur	5100-5200	5200	-

TECHNICALS:

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

OUTLOOK:

Guar seed is likely to move slightly downwards initially following a steady to weak opening and upwards movement thereafter

NCDEX Guar Seed December Contract:



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Dec.	1950	1960	1994	2027	2040
Guar Gum Dec.	5000	5030	5107	5170	5200

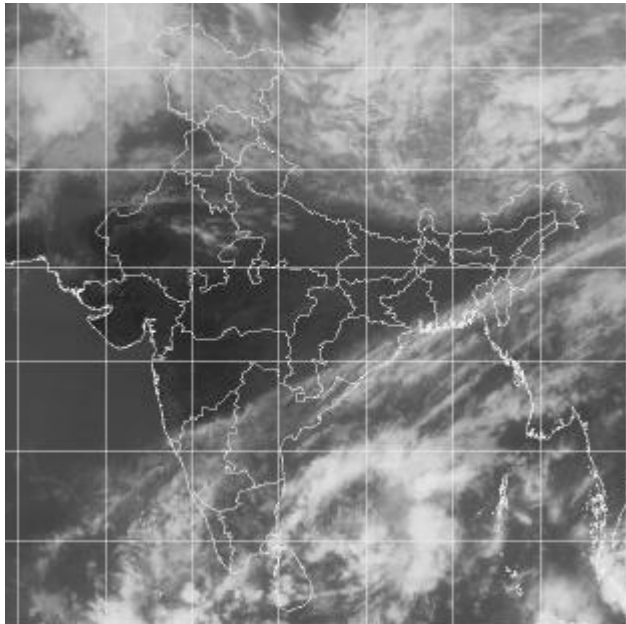
INTRADAY TRADE RECOMMENDATION:

BUY NCDEX- December Guar Seed above 1975 with target of 2000 then 2012 Stop loss at 1960.

BUY NCDEX- December Guar Gum above 5060 with target of 5120 then 5150 Stop loss at 5030.

Do not carry forward the position until the next day.

SATELLITE PICTURE OF MONSOON PROGRESS (16.11.06)



Monsoon Outlook (16.11.06)

- A fresh western disturbance as an upper air system is approaching Western Himalayan region. It is likely to cause light to moderate scattered precipitation over Jammu & Kashmir during next 2-3 days.
- Under the influence of the easterly wave, fairly widespread rainfall with isolated heavy falls are likely to continue over south Coastal Andhra Pradesh, Tamil Nadu & Pondicherry, Lakshadweep and Kerala during next 3 days.

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

- Decrease in rainfall activity over western Himalayan region.

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