

GUAR DAILY

November 02nd, 2006

GUAR

SPOT MARKETS:

Weak sentiment is mostly prevailed in guar market. The arrival is reportedly about 65,000-75,000 bags on all India. Despite the good demand, increasing arrivals mostly control the market sentiments. However, in Bikaner as well as Jodhpur market the fresh arrival is somewhat less. Increasing sellers' activity at futures market is also underpinning the market tone. The stockists are the active buyers. Millers remain inactive at higher price levels. The traders closely monitoring the futures market sentiments for further direction. Peak arrivals might be pressurized the market sentiments on the coming days. However, traders are optimistic about recovery in guar prices in short period on good demand.

FUTURES MARKETS:

Guar seed futures at the NCDEX witnessed southwards trade following a weak opening. Fresh arrival at spot is also underpinning the tone. The futures settled red with some losses. At the NCDEX, Guar Seed November contract traded in the range of Rs. 1882-1919 per qtl, while the most active December contract moved in the range of Rs. 1925-1962 per qtl. Guar Gum November contract traded in the range of Rs. 4801-4888 per qtl, while the most active December contract moved in the range of Rs. 4894-4988 per qtl.

PRICE DRIVERS:

Bearish:

1. Anticipation of higher production about 75-80 lakh bags as against last year 50-55 l. bags
2. The arrival is reportedly about 65,000-75,000 bags

Bullish:

3. Good domestic demand
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 indicating bearish trade. Sellers mainly dominated the trade. The Stochastic is moving slightly upwards. MACD is in positive territory and moving downwards indicating weak tone at medium terms. Prices closed below 9-day and 18-day EMA. Indicating sideways sentiment.

OUTLOOK:

Guar seed is likely to trade downwards initially 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.	1884	1904	1937	1965	1977
Guar Gum Dec.	4823	4860	4920	4975	5012

INTRADAY TRADE RECOMMENDATION:

SELL NCDEX- December Guar Seed below 1950 with target of 1920 then 1905 **Stop loss** at 1965.

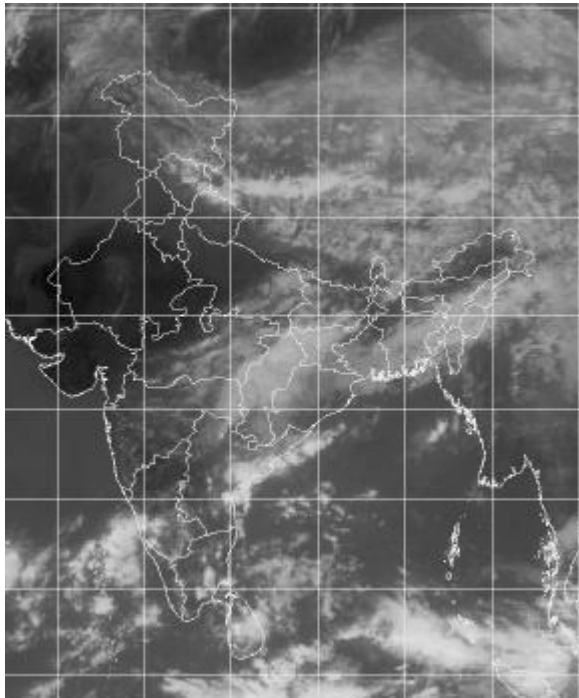
SELL NCDEX- December Guar Gum below 4950 with target of 4900 then 4875 **Stop loss** at 4975.

Do not carry forward the position until the next day.

GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	01.11.06	31.10.06	Change
Guar Seed	Bikaner	1790-1800	1815-1820	-25.00
	Jodhpur	1930-1940	1935-1950	-5.00
	Nokha	1780-1790	1805	-15.00
	Sriganganagar	1790	1810	-20.00
Guar Gum	Jodhpur	5070-5100	5100-5140	-30.00

SATELLITE PICTURE OF MONSOON PROGRESS (01.11.06)



Monsoon Outlook (01.11.06)

- Day temperatures are prevailing between 32 to 34 °C over plains of northwest India & adjoining central India and are near normal whereas night temperatures are between 16 to 19 °C which are generally 2-3 °C above normal.
- Under the influence of a trough of low pressure, fairly widespread rains are likely over Coastal & South Interior Karnataka, Kerala and Lakshadweep during next 1-2 days.

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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