

## GUAR DAILY

December 26th, 2006

### SPOT MARKETS:

Spot market prices of guar seed recovered mainly due to the some firm tone of futures market while the spot market prices of guar gum eased in the major trading centers amidst weak demand and supply. Arrivals declined slightly in all over India and it is noted at 25000 bags, as the farmers are not interested to sell their stock at lower price level. They are interested to release their stock at higher prices to earn handsome profit. Millers remain inactive in the market mainly due to the higher prices of guar seed. Stockists remain active in the market. Further, lower guar gum quotation of Pakistan affecting the India's export scenario and it is expected to improve in near future as the stock position of Pakistan decreasing gradually.

### FUTURES MARKETS:

NCDEX Guar seed futures observed lacklustre trade with slightly bullish tone. The most active February contract opened weak at Rs. 1995 and tested a low of Rs. 1985 in the early hours of the trade. However, buying interest at lower level supported the futures to trade upward and tested a high of Rs. 2014 and finally settled at positive territory. February contract moved in the range of Rs. 1985-2014 per qtl while the January contract moved in the range of Rs. 1982-1995 per qtl. Guar gum January contract traded in the range of Rs. 4900-4835, while the February contract fluctuated in the range of 4995-4931 per qtl.

### PRICE DRIVERS:

#### Bearish:

1. Higher production this year as compared to last year
2. Pakistan's export prices remain lower as against India

#### Bullish:

3. Farmers are unwilling to sell at lower price levels
4. Expectation of higher export in the coming days
5. Arrivals is likely to decrease in the coming days

### WEATHER IMPACT:

Guar harvesting is almost completed in major guar producing belts, and therefore, weather is not a concern at the moment.

### TECHNICALS:

Candlestick pattern indicates some firm sentiment and reflects that buyers recovered the market. Stochastic is in oversold region and moving downwards. MACD is in negative territory and moving downwards, indicating weak tone at medium term. Prices closed much below 9-day and 18-day EMA, indicating sideways movement.

### OUTLOOK:

Guar seed futures are expected to trade upwards following a firm opening with possibility of slight late downwards movement.

### NCDEX Guar Seed February Contract:



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
Guar Seed Feb.	1985	1995	2012	2040	2050
Guar Gum Feb.	4930	4961	4990	5061	5101

### INTRADAY TRADE RECOMMENDATION:

**BUY** NCDEX- February Guar Seed above 2005 with target of 2030 then 2042 **Stop loss** near 1990.

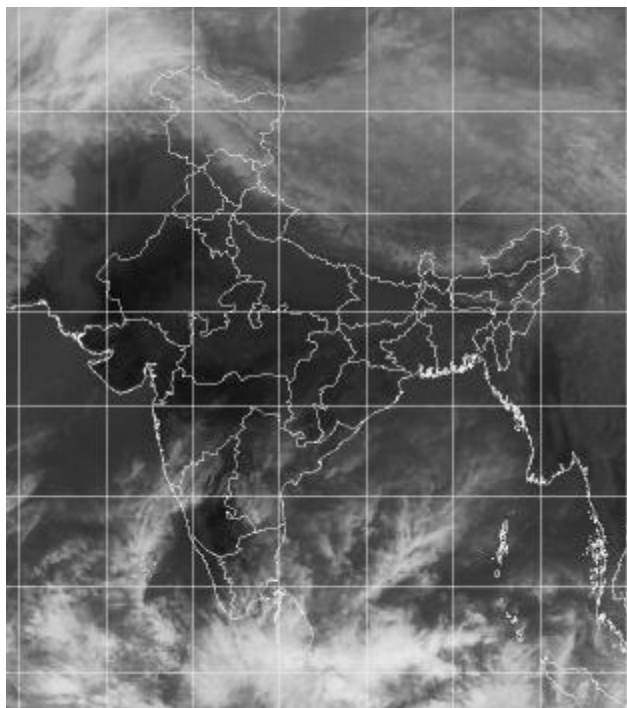
**BUY** NCDEX- February Guar Gum above 4975 with target of 5025 then 5050 **Stop loss** near 4950.

**Do not carry forward the position until the next day.**

### GUAR PRICES AT MAJOR MARKETS IN RAJASTHAN:

Commodity	Centres	23.12.06	22.12.06	Change
Guar Seed	Bikaner	1900	1846	+54
	Jodhpur	2000	2000	-
	Nokha	1872	1846	+26
	Sriganganagar	1900	1840	+60
Guar Gum	Jodhpur	5070	5096	-26

## SATELLITE PICTURE OF MONSOON PROGRESS (23.12.06)



### Monsoon Outlook (23.12.06)

- No significant change was occurred in night temperatures during past 24 hours over plains of northwest India, east India and Gangetic plains. The present scenario is likely to continue for next 24 hours and rise in night temperatures over the same areas thereafter.
- A western disturbance likely to affect western Himalayan region from 25th onwards.
- Lowest night temperature in the plains of the country was 4.0°C recorded at Adampur in Punjab.

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

- Decrease in precipitation activity over northwest India from 27th onwards.
- Fall in night temperature over plains of northwest India, east India and Gangetic plains.

**Source:** GOI (IMD)

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