

## GUAR SEED and GUAR GUM

September 19, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Maintained Weakness Today
- Guar Futures Settled Lower; Curbed Early Slide

### TECHNICAL ANALYSIS

Commodity: **Guar Seed**  
Perspective: Very Short Term  
NCDEX October Contract

**Candlestick:** Formation of candlesticks is showing a bearish trade following a steady opening, but an upward correction is likely tomorrow.

**Stochastic:** The stochastic is moving downwards, the %K line after cutting the %D line from above moving downwards in the oversold region, hinting further weakness.

**MACD:** The MACD (5-day) is moving down, lying below its EMA, supporting the bearish sentiment.

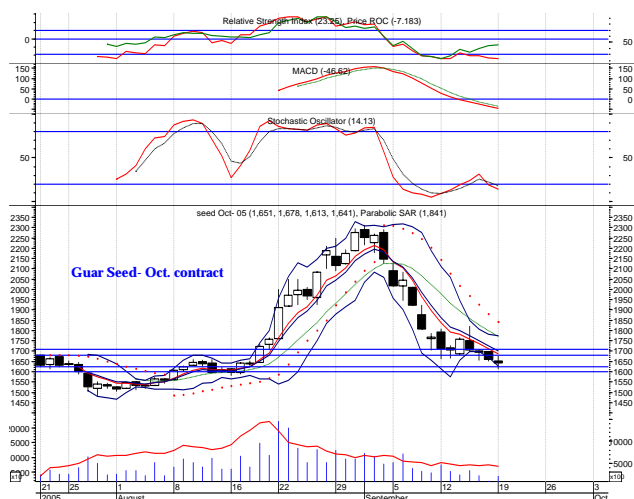
**Alignment pattern:** The alignment pattern of moving averages is showing the weakness in the market.

#### Market outlook:

Guar seed futures are likely to remain bearish following a steady opening. However, an upward correction is expected in the next day. Trade with very-short term outlook.

#### Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1625	1601	1680	1708
Nov.	1662	1634	1707	1736



Commodity: **Guar Gum**  
Perspective: Very Short Term  
NCDEX October Contract

**Candlestick:** Formation of candlestick pattern is indicating a bearish trade following a steady opening in the next day. However, an upward correction is expected tomorrow.

**Stochastic:** The stochastic is moving downwards, the %K-line after cutting the %D line from above moving downwards in the oversold region, showing further weakness in the market.

**MACD:** The MACD (5-day) is lying bearishly below its EMA and moving downwards, supporting the weak sentiment.

**Alignment pattern:** The alignment pattern of moving averages is also supporting the bearish sentiment.

#### Market outlook:

Guar gum futures are likely to remain bearish following a steady opening. However, an upward correction is expected in the next day. Trade with very-short term outlook.

#### Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4269	4195	4421	4501
Nov.	4337	4205	4495	4618



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX traded with a bearish sentiment following a weak opening today. The futures cut back the morning losses during the mid-session on increased buying activity. However, the futures settled lower on speculative selling pressure in late action. The October future traded in the range of 1613.00-1678.00 during today's trade. At the spot market guar seed was quoted at Rs 1600-1625 per quintal in Jodhpur market. At the Bikaner market it was offered at Rs 1600 per quintal today, while at the Nokha market it was available at Rs 1400 per quintal. The guar gum futures at the NCDEX followed the same sentiment and settled lower today. The October future traded in the range of 4247.00-4430.00 during today's trade. At the spot markets guar gum was quoted at Rs 4350 per quintal in the Jodhpur market today.

The higher than expected lower crop estimates have underpinned the downward movement in guar prices in both the physical and futures market. Speculative selling pressurised the prices despite some buying support at the lower price levels. The upper air cyclonic circulation over Uttaranchal and neighbourhood now lies over Uttaranchal and adjoining Himachal Pradesh and extends upto 3.1 km a.s.l. The upper air cyclonic circulation over Gujarat state and adjoining south Rajasthan moved westwards and now lies over southeast Pakistan and neighbourhood extending upto 3.1 km a.s.l. Rain/thundershowers likely at many places over Gujarat Region, West Madhya Pradesh and Maharashtra; at a few places over East Rajasthan and isolated in the rest region. Under such circumstances the guar prices are expected to remain bearish following a steady opening, but an upward correction is likely in the next day.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	19.09.05	17.09.05	Change
Guar Seed	Bikaner	1600	1600	-
	Jodhpur-B line	1600-1625	1650	-50
	Jodhpur-M line	1600	1625	-25
Guar Gum	Nokha	1400	1450-1475	-75
	Jodhpur	4350	4450	-100

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	321.00	318.50	318.60	-2.40
Nov.	380.00	378.00	378.70	-1.30

### Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda remained bearish following a weak opening today. The September and November future finished down after curbing some of the

earlier losses today on some buying support at lower levels.

## SALIENT POINTS OF THE DAY

Guar seed and gum prices maintained weakness on selling pressure.

Light rainfalls in Gujarat, improved weather in Rajasthan.

Prices are likely to remain bearish after a weak opening, but an upward correction is likely in the next day.

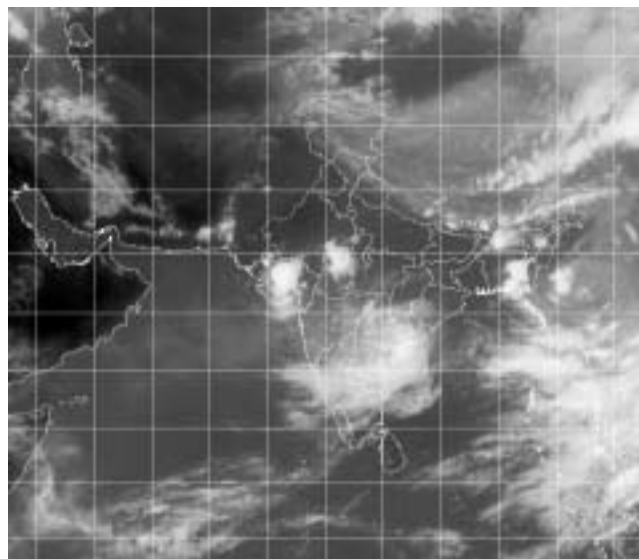
## WEATHER HIGHLIGHTS (19-09-05)

During past 24 hours, fairly widespread rains with heavy to very heavy rainfall have occurred over north Andhra Pradesh-south Orissa coasts and south Chhattisgarh. Light to moderate scattered rainfall have also occurred over Andaman & Nicobar Islands, interior Orissa, Konkan & Goa, Telangana, Gujarat Region, Madhya Pradesh, Jharkhand, East Uttar Pradesh, Himachal Pradesh and Uttaranchal. Yesterday's deep depression over northwest Bay of Bengal moved in a west-southwesterly direction and intensified into a cyclonic storm. It crossed north Andhra Pradesh near Kalingapatnam this morning and lies centered close to Kalingapatnam over land. The system is likely to move in a west-northwesterly direction and weaken gradually. Under its influence widespread rainfall with heavy to very heavy falls at a few places is likely over Coastal Andhra Pradesh, Telangana, south Orissa and south Chhattisgarh during next 24 hours. The belt of heavy rainfall may gradually shift westwards into Maharashtra and North Interior Karnataka.

The upper air cyclonic circulation over Uttaranchal and neighbourhood now lies over Uttaranchal and adjoining Himachal Pradesh and extends upto 3.1 km a.s.l.

The upper air cyclonic circulation over Gujarat state and adjoining south Rajasthan moved westwards and now lies over southeast Pakistan and neighbourhood extending upto 3.1 km a.s.l.

### Cloud Cover today (IMD):



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