

## GUAR SEED and GUAR GUM

October 10, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Retrace Back Again Today
- Guar Futures: Up on Speculative Buying Support

### TECHNICAL ANALYSIS

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

**Candlestick:** Formation of candlesticks is showing a weakly bullish pattern and firm opening.

**Stochastic:** The %K-line after cutting the %D-line from above moving downwards in the normal region, indicating further downtrend.

**MACD:** The MACD (5-day) along with its EMA moving upwards, supporting the strength in the market.

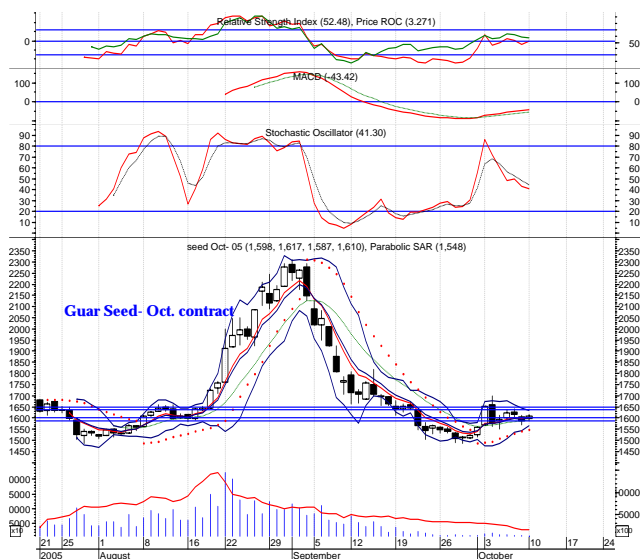
**Alignment pattern:** The alignment pattern of moving averages is supporting the uptrend.

#### Market outlook:

Guar seed futures are expected to trade upwards initially following a firm opening and range bound downward thereafter. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1600	1585	1637	1649
Nov.	1631	1612	1685	1700
Dec.	1658	1638	1706	1723



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

**Candlestick:** Formation of candlestick is indicating a weakly bullish pattern and firm opening.

**Stochastic:** The %K-line has just started moving upwards in the normal region, hinting uptrend. However, the %D-line is moving southwards and supporting the downtrend.

**MACD:** The MACD (5-day) along with its EMA moving upwards, supporting the strength in the market.

**Alignment pattern:** The alignment pattern of moving averages is supporting the uptrend.

#### Market outlook:

Guar gum futures are likely to trade upwards initially following a firm opening and range bound downward thereafter. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4169	4133	4264	4290
Nov.	4237	4199	4349	4379
Dec.	4310	4282	4449	4474



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a strong sentiment following a firm opening today. The October future traded in the range of 1587.00-1617.00 today. At the spot markets also guar seed was quoted higher at Rs 1675 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at Rs 1600 per quintal, while at the Nokha market it was quoted higher at Rs 1510-1515 per quintal today. The guar gum futures at the NCDEX witnessed a similar sentiment after a firm opening today. The October future traded in the range of 4135.00-4211.00 today. At the spot markets guar gum was quoted at Rs 4300 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets retrace back again following Saturday's weakness. Increased buying support at the lower price levels underpinned the upside movement in guar prices at the physical as well as the futures market today. The arrival of guar crop at the major physical markets is likely to pick up in the coming weeks and the prices are expected to hover around the present levels. The guar trade is witnessing balance between the bulls and the bears at present. However, the market is likely to add further dimensions in the coming days after the estimation of the present crop size is well known. The weather situations remained mostly dry in the guar growing regions. Amidst such circumstances the prices of guar seed and guar gum is expected to witness an uptrend initially following a firm opening and range bound downward thereafter.

### Guar Prices at Major Markets in Rajasthan

		(Rs./quintal)		
Commodity	Centres	10.10.05	08.10.05	Change
	Bikaner	1600	1580-1590	+20
Guar Seed	Jodhpur-B line	1675	1650	+25
	Jodhpur-M line	1650	1620	+30
	Nokha	1510-1515	1450-1460	+55
Guar Gum	Jodhpur	4300	4250	+50

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	370.20	370.80	371.20	+1.00

### Price Movements at Bikaner Vayda

The Bikaner vayda remained mostly strong today after a firm opening. The November future finished higher today as against Saturday. Increased buying at the lower price levels pushed up the futures into the positive territory today.

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## SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher on increased buying support at the lower price levels.

Mainly dry weather prevailed over Rajasthan, Haryana, Punjab and Gujarat.

Prices are likely to witness an uptrend following a firm opening at the early hours of trade and range bound downtrend thereafter.

## WEATHER HIGHLIGHTS (10-10-05)

Southwest monsoon has further withdrawn from the remaining parts of Bihar, Maharashtra, entire Arunachal Pradesh & Sub-Himalayan West Bengal & Sikkim; some more parts of Assam & Meghalaya, Gangetic West Bengal, Telangana, North Interior Karnataka & Goa and some more parts of Orissa and Chhattisgarh. The withdrawal line passes through Passighat, North Lakhimpur, Chharmuki, Krishnanagar, Keonjhar, Titlagarh, Ramagundam, Gulbarga, Bijapur, Vengurla, 15° N/72° E and 15° N/60° E.

Yesterday's low-pressure area over southwest & adjoining westcentral Bay of Bengal persists. Associated upper air cyclonic circulation extends upto mid-tropospheric level. Under this scenario enhanced rainfall activity with isolated heavy falls is likely over south peninsula during next 2-3 days.

The upper air cyclonic circulation extending upto 3.1 km a.s.l. over Himachal Pradesh and neighbourhood has moved away eastwards.

A fresh western disturbance as an upper air system lies over north Pakistan and adjoining Jammu & Kashmir. It may cause isolated rain/thundershowers over Western Himalayas during next 1-2 days.

### Cloud Cover today (IMD):

