

## GUAR SEED and GUAR GUM

October 28, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Previous Weakness
- Guar Futures: Down on Increased Selling Pressure

### TECHNICAL ANALYSIS

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

**Candlestick:** Formation of candlesticks is showing a highly bearish pattern and weak opening.

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

**MACD:** The MACD (5-day) along with its EMA moving downwards in the positive territory, showing the weakness in the market.

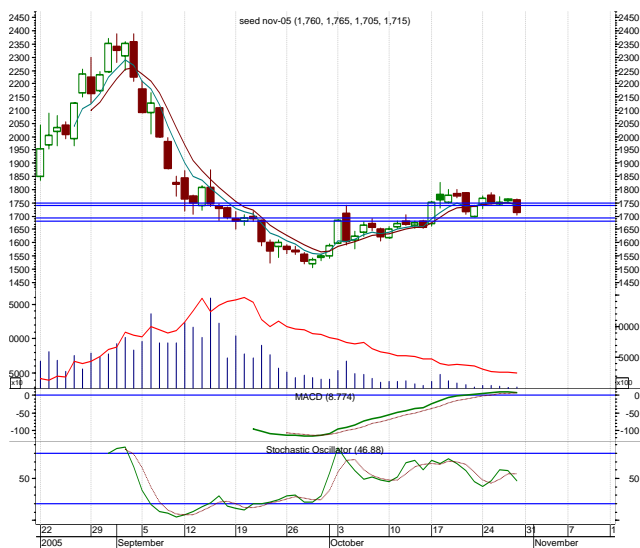
**Alignment pattern:** The alignment pattern of moving averages is also supporting the downtrend.

#### Market outlook:

Guar seed futures are expected to trade moderately downwards following a weak opening with possibility of some upward movement later in the session. Trade with very-short term outlook.

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

| Contract | Support |      | Resistance |      |
|----------|---------|------|------------|------|
|          | 1st     | 2nd  | 1st        | 2nd  |
| Nov.     | 1692    | 1681 | 1741       | 1750 |
| Dec.     | 1743    | 1726 | 1791       | 1809 |



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

**Candlestick:** Formation of candlestick is showing a highly bearish pattern and weak opening.

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

**MACD:** The MACD (5-day) along with its EMA moving downwards in the positive territory, showing the weakness in the market.

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

#### Market outlook:

Guar gum futures are likely to trade moderately downwards following a weak opening with possibility of some upward movement later in the session. Trade with very-short term outlook.

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

| Contract | Support |      | Resistance |      |
|----------|---------|------|------------|------|
|          | 1st     | 2nd  | 1st        | 2nd  |
| Nov.     | 4492    | 4460 | 4624       | 4650 |
| Dec.     | 4593    | 4548 | 4716       | 4757 |



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX remained range bound at the early hours of trade following a slightly higher opening today. However, increased selling pressure capped further advances and the futures slid heavily to settle near to the day's low in final action. The November future traded in the range of 1705.00-1765.00 during today's trade. At the spot markets guar seed was quoted lower at Rs 1790 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at Rs 1690 per quintal, while at the Nokha market it was available at a lower price of Rs 1600-1605 per quintal today. The guar gum futures at the NCDEX witnessed a similar sentiment during today's trade. The guar gum futures settled on a much lower ground on heavy selling pressure in late action. The November future traded in the range of 4530.00-4697.00 today. At the spot markets guar gum was quoted lower at Rs 4575 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets witnessed bearish sentiment after curbing morning advances. The spillover weakness of the futures market has underpinned the downside movement of the prices of guar seed and guar gum at the physical markets today. The agriculture ministry of Rajasthan has projected the guar production in the state to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. Moreover, the traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices were hovering near the higher levels for the last couple of days. Traders are eyeing on the coming month when the arrival of the new crop is likely to pick up and determine the actual demand-supply scenario. The prices of guar seed and guar gum are likely to extend the weakness in the next day with possibility of some upward movement later in the session.

### Guar Prices at Major Markets in Rajasthan

|           |                | (Rs./quintal) |           |        |
|-----------|----------------|---------------|-----------|--------|
| Commodity | Centres        | 28.10.05      | 27.10.05  | Change |
| Guar Seed | Bikaner        | 1690          | 1700      | -10    |
|           | Jodhpur-B line | 1790          | 1800      | -10    |
|           | Jodhpur-M line | 1765          | 1775      | -10    |
|           | Nokha          | 1600-1605     | 1640-1650 | -45    |
| Guar Gum  | Jodhpur        | 4575          | 4650      | -75    |

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open   | Close  | Change |
|----------|-------------|--------|--------|--------|
| Nov.     | 371.00      | 371.10 | 367.20 | -3.80  |
| Jan.     | 361.90      | 362.60 | 354.00 | -7.90  |

## Price Movements at Bikaner Vayda

The Bikaner vayda remained weak after a firm opening today. The November and the January contract finished much lower on speculative selling pressure today.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower on increased selling pressure.

Dry weather prevailed over major guar growing regions.

Prices are likely to move moderately downwards following a weak opening with possibility of some upward movement later in the session.

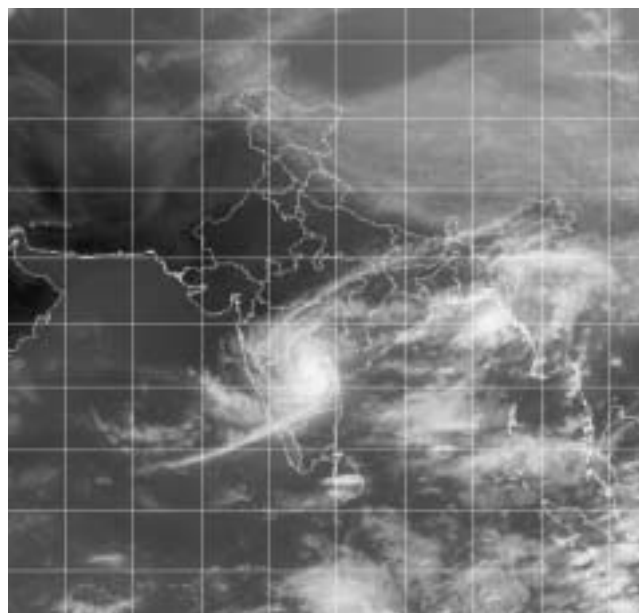
## WEATHER HIGHLIGHTS (28-10-05)

Yesterday's deep depression over southwest Bay of Bengal moved northwestwards and lay centred at 0830 hours IST of 28th October, close to Ongole. The system is likely to cross south Andhra Pradesh between Ongole and Bapatla by noon today.

Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over south Coastal Andhra Pradesh and Rayalaseema during next 48 hours. Isolated heavy rainfall may also occur over Interior Karnataka and Telangana during next 2 days. Isolated heavy rainfall may also occur over north Tamil Nadu today. Squally winds with speed reaching 60-65 kmph likely along and off south Coastal Andhra Pradesh till today night. State of sea will be rough to very rough. Fishermen are advised not to venture into the sea.

The western disturbance as an upper air system over North Pakistan and neighbourhood has moved away east-northeastwards leading to fair weather and chilly nights over Jammu & Kashmir.

## Cloud Cover today (IMD):



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