

## GUAR SEED and GUAR GUM

October 08, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Trade
- Guar Futures Settled Down on Speculative Selling

### TECHNICAL ANALYSIS

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

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

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

**MACD:** The MACD (5-day) has made a bullish crossover with its EMA and still moving upwards, indicating strength in the market.

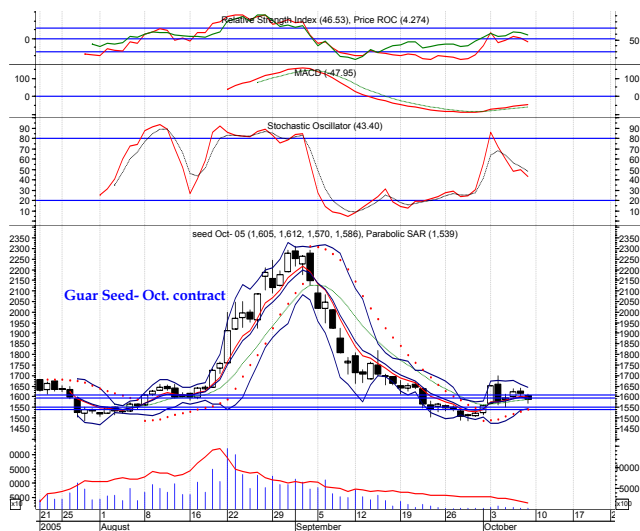
**Alignment pattern:** The alignment pattern of moving averages is hinting further downside movement.

#### Market outlook:

Guar seed futures are expected to move further downwards in the next trading day with possibility of an upward correction thereafter. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1552	1538	1596	1610
Nov.	1589	1576	1637	1650
Dec.	1606	1590	1659	1671



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

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

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

**MACD:** The MACD (5-day) has made a bullish crossover with its EMA and moving upwards, hinting strength in the market.

**Alignment pattern:** The alignment pattern of moving averages is showing further downside movement.

#### Market outlook:

Guar gum futures are expected to move further downwards in the next trading day with possibility of an upward correction thereafter. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4025	3998	4129	4152
Nov.	4106	4084	4218	4240
Dec.	4185	4153	4306	4328



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening today. The October future traded in a lower range of 1570.00-1612.00 today. At the spot markets guar seed was quoted at Rs 1650 per quintal in Jodhpur market today. At the Bikaner market it was offered lower at Rs 1580-1590 per quintal, while at the Nokha market it was available at Rs 1450-1460 per quintal today. The guar gum futures at the NCDEX also remained bearish after a weak opening today. The October future traded in the range of 4081.00-4197.00 during today's trade. At the spot markets guar gum was quoted at Rs 4250 per quintal in Jodhpur market today.

The guar physical markets witnessed a weak sentiment today. Speculative selling at the futures market underpinned the downward movement in the guar prices at the futures as well as the physical markets. The arrival of guar crop at the physical markets is likely to pick up in the coming couple of weeks. The guar physical as well as the futures market is likely to move both ways till the estimation of the size of standing crop is well known, which would direct the future course of action. Mainly dry weather is prevailing over the major guar growing regions. Under such circumstances the prices of both guar seed and guar gum are expected to move further downwards in the next trading day with possibility of an upward correction thereafter.

### Guar Prices at Major Markets in Rajasthan

		(Rs./quintal)		
Commodity	Centres	08.10.05	07.10.05	Change
Guar Seed	Bikaner	1580-1590	1600-1605	-15
	Jodhpur-B line	1650	1650-1660	-10
	Jodhpur-M line	1620	1625	-5
	Nokha	1450-1460	1500-1505	-45
Guar Gum	Jodhpur	4250	4300	-50

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	372.60	370.50	370.20	-2.40

### Price Movements at Bikaner Vayda

The Bikaner vayda remained weak today after a much lower opening. The November future finished lower today as against yesterday. Speculative selling underpinned the downward movement throughout the day.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower on speculative selling pressure.

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

Prices are likely to remain weak in the next trading day with possibility of an upward correction thereafter.

## WEATHER HIGHLIGHTS (08-10-05)

During past 24 hours, light to moderate rain/thundershowers have occurred at a few places over Tamil Nadu & Pondicherry, Kerala, Lakshadweep, Andaman & Nicobar Islands and coastal Orissa.

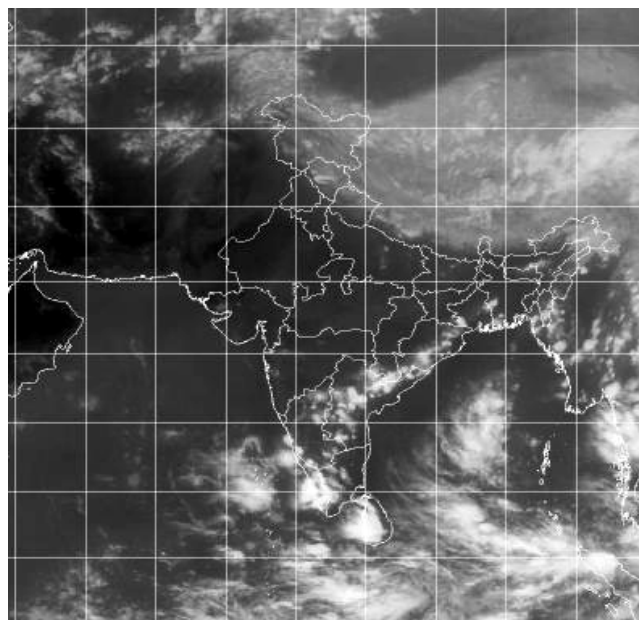
The upper air cyclonic circulation over southeast Bay of Bengal persists and now extend upto 3.6 km a.s.l Under its influence a low pressure area may form over south Bay of Bengal during next 24-48 hours.

This system is likely to result in scattered to fairly widespread rainfall over the south peninsula during next 2-3 days. Isolated heavy rainfall may also occur over Tamil Nadu and Kerala after 24 hours.

An upper air cyclonic circulation extending upto 1.5 km a.s.l. lies over Himachal Pradesh and neighbourhood. It may cause isolated rain/thundershowers over Himachal Pradesh and Jammu & Kashmir during next 24 hours.

The upper air cyclonic circulation over Tamil Nadu & neighbourhood has become less marked.

### Cloud Cover today (IMD):



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