

## GUAR SEED and GUAR GUM

October 14, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Firm Today
- Guar Futures: Settled Up; Curb Early Losses

### TECHNICAL ANALYSIS

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

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

**Stochastic:** The %K-line after cutting the %D-line from below moving upwards in the normal region, hinting further uptrend.

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

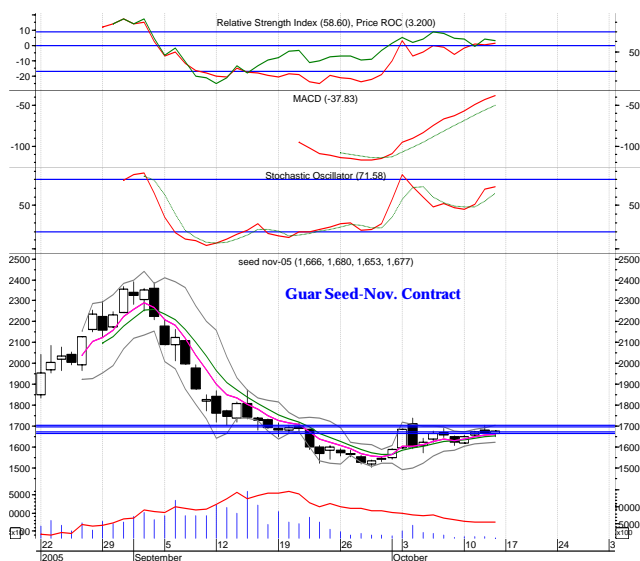
**Alignment pattern:** The alignment pattern of moving averages is also supporting the uptrend.

#### Market outlook:

Guar seed futures are expected to trade upwards following a firm opening and range bound downwards later in the session. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1632	1626	1650	1655
Nov.	1673	1667	1699	1704
Dec.	1704	1696	1729	1739



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

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

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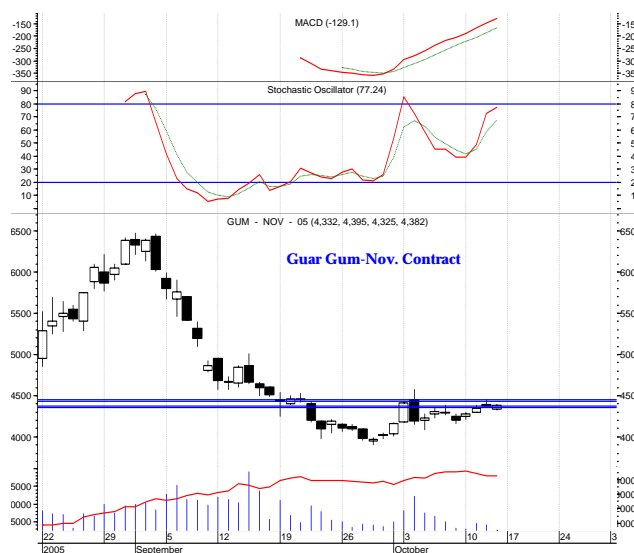
**Alignment pattern:** The alignment pattern of moving averages is also supporting the uptrend.

#### Market outlook:

Guar gum futures are likely to trade upwards following a firm opening and range bound downwards later in the session. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4283	4264	4351	4373
Nov.	4373	4352	4429	4451
Dec.	4474	4453	4526	4547



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX remained bearish after a weak opening initially. However, increased buying support at the lower price levels pared the early losses thereafter and the futures settled near to the day's high. The November future traded in the range of 1653.00-1680.00 today. At the spot markets guar seed was quoted at Rs 1705-1710 per quintal in Jodhpur market today. At the Bikaner market it was offered at Rs 1625-1630 per quintal, while at the Nokha market it was available at Rs 1540-1550 per quintal today. The guar gum futures at the NCDEX also witnessed similar sentiments today. The November future traded in the range of 4325.00-4395.00 today. At the spot markets guar gum was quoted at Rs 4400 per quintal in Jodhpur market today.

The guar physical markets extended previous weakness at the morning session of trade. However, increased buying support at the lower price levels pushed up the prices of guar seed and guar gum in final action. The guar crop arrival at the major markets in Rajasthan is yet to pick up and the prices are hovering at the higher side. According to the agriculture ministry of Rajasthan, the guar production in the state is estimated to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. Rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir and Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab. Mainly dry weather likely in the rest region. Under such circumstance the guar prices are likely to remain strong in the next trading day with possibility of some downward movement later in the session.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	14.10.05	13.10.05	Change
Guar Seed	Bikaner	1625-1630	1620	+10
	Jodhpur-B line	1705-1710	1690-1700	+10
	Jodhpur-M line	1680	1670	+10
	Nokha	1540-1550	1520-1525	+25
Guar Gum	Jodhpur	4400	4375	+25

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	372.20	371.70	372.00	-0.20

### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a weak sentiment today after a lower opening. Though increased buying support curbed some of the losses but the November future finished slightly lower today as against yesterday.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher after curbing early losses in late action.

Dry weather prevailed over major guar growing regions.

Prices are likely to move upwards following a firm opening initially and range bound downwards thereafter.

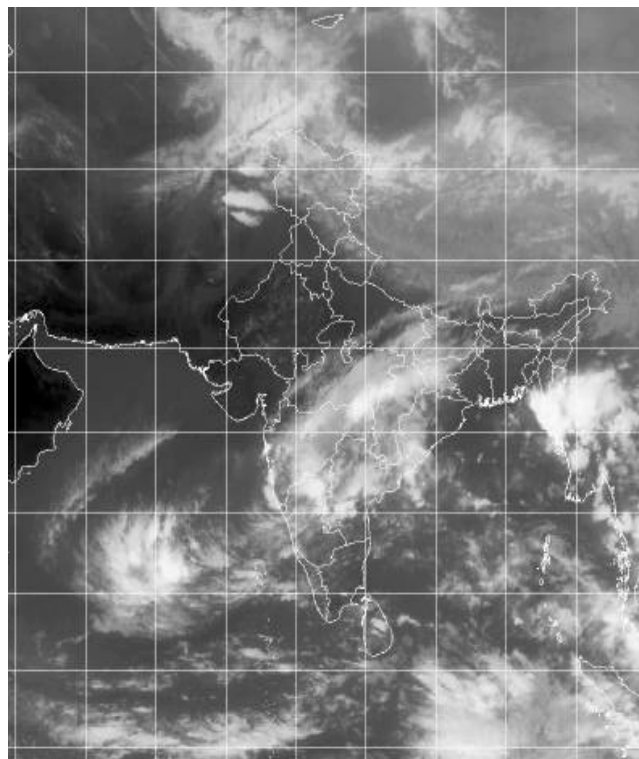
## WEATHER HIGHLIGHTS (14-10-05)

Yesterday's well marked low pressure area over southwest Bay of Bengal and adjoining areas of coastal Tamil Nadu now lies over southern parts of Rayalaseema and adjoining Karnataka & Tamil Nadu. An associated upper air cyclonic circulation extends upto mid-tropospheric level. Under this scenario enhanced rainfall activity with heavy to very heavy falls is likely over Andhra Pradesh, Karnataka and Kerala during next 2-3 days. The rainfall activity over Tamil Nadu is likely to decrease after 24 hrs.

The low-pressure area over southeast Arabian Sea persists but has moved slightly westwards.

The western disturbance over Jammu & Kashmir and neighbourhood has moved away northeastwards. However another Western Disturbance as an upper air system lies over North Pakistan and neighbourhood. It may cause light to moderate scattered rain/snow over Western Himalayas during next 2-3 days.

### Cloud Cover today (IMD):



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