

## GUAR SEED and GUAR GUM

October 24, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Higher; Extended Previous Advances

### TECHNICAL ANALYSIS

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

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

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

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

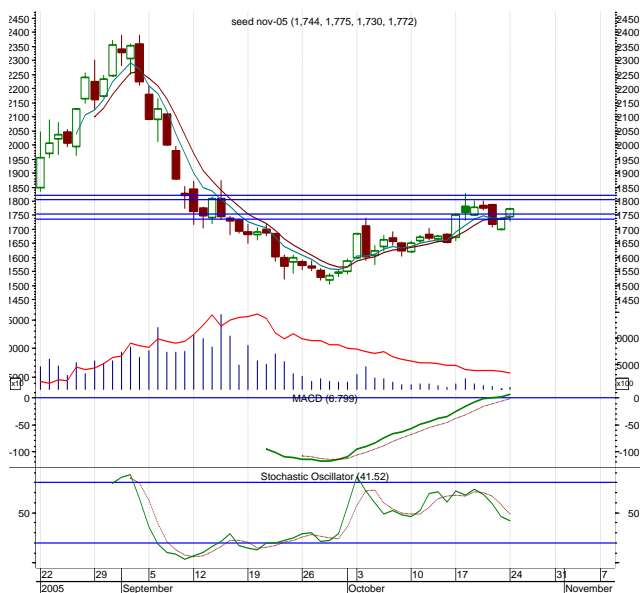
**Alignment pattern:** The alignment pattern of moving averages is also supporting the uptrend.

#### Market outlook:

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

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1754	1737	1806	1822
Dec.	1803	1784	1862	1880



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

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

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

**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 also supporting the uptrend.

#### Market outlook:

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

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4623	4580	4790	4829
Dec.	4745	4705	4888	4934



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX extended previous advances today following a firm opening. Increased buying interest at the lower price levels pushed up the futures to further higher levels today. The November future traded in the range of 1730.00-1775.00 today. At the spot markets guar seed was quoted higher at Rs 1830 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered higher at Rs 1740 per quintal, while at the Nokha market it was available at a higher price of Rs 1650 per quintal today. The guar gum futures at the NCDEX also witnessed a strong sentiment after a firm opening today. The November future traded in the range of 4560.00-4708.00 today. At the spot markets guar gum was offered at a higher price of Rs 4675-4700 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets witnessed a strong sentiment and the prices of both the guar seed and guar gum moved up after remaining at steady levels during the last weekend. The spillover strength from the futures market has lifted up the physical market sentiments and prices jumped up at the evening session of trade. 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. However, the traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices are on the uptrend. 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 remain strong initially in the next day and expected to move downwards thereafter.

### Guar Prices at Major Markets in Rajasthan

		(Rs./quintal)		
Commodity	Centres	24.10.05	22.10.05	Change
Guar Seed	Bikaner	1740	1650	+90
	Jodhpur-B line	1830	1775	+55
	Jodhpur-M line	1800	1750	+50
	Nokha	1650	1600	+50
Guar Gum	Jodhpur	4675-4700	4575	+125

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	371.00	372.80	376.00	+5.00
Jan.	357.00	358.10	364.50	+7.50

## Price Movements at Bikaner Vayda

The Bikaner vayda extended previous advances following a firm opening today. The November as well as the January contract finished much higher on increased buying support today.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures extended previous advances today on speculative buying.

Dry weather prevailed over major guar growing regions.

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

## WEATHER HIGHLIGHTS (24-10-05)

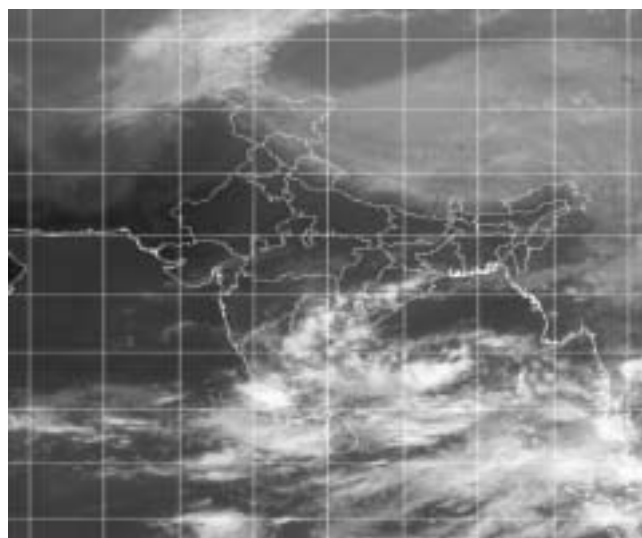
A fresh upper air cyclonic circulation extending upto 3.6 km a.s.l. has formed over southwest Bay of Bengal. Under its influence, a low-pressure area is likely to develop which may cause an active wet spell with heavy to very heavy falls over south Peninsula during next 2-3 days. Subsequently the rainfall is likely to extend along the east coast of India.

Yesterday's trough extending from north Coastal Andhra Pradesh to Sub-Himalayan West Bengal & Sikkim in lower tropospheric levels has become less marked. The trough in the middle troposphere has moved away eastwards. The rainfall over Northeastern States, West Bengal & Sikkim and Orissa has decreased during past 24 hours.

Yesterday's upper air cyclonic circulation over Tamil Nadu and neighbourhood extending upto 4.5 km a.s.l. moved westwards and now lies over eastcentral Arabian Sea extending in the middle tropospheric levels

A feeble western disturbance as an upper air system lies over North Pakistan and neighbourhood. It may cause scattered light to moderate rain/snow over Jammu & Kashmir during next 2-3 days.

## Cloud Cover today (IMD):



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