

## GUAR SEED and GUAR GUM

October 21, 2005

### MAJOR ACTIVITY HIGHLIGHTS

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

### 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, hinting further downward movement.

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

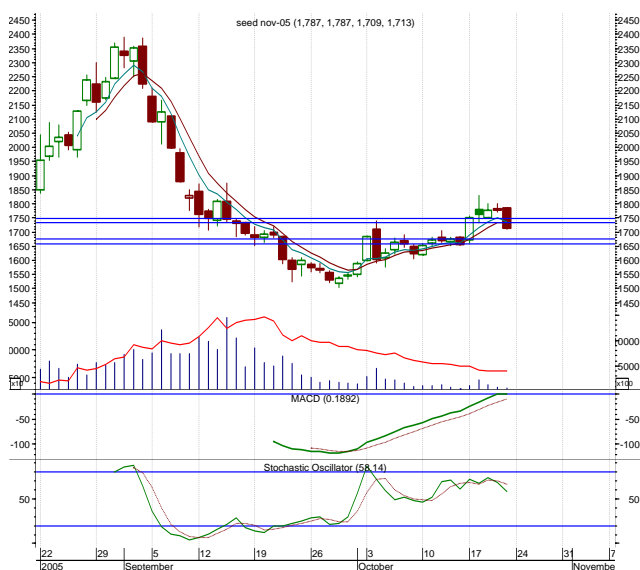
**Alignment pattern:** The alignment pattern of moving averages is indicating short-term downtrend.

#### Market outlook:

Guar seed futures are expected to trade downwards following a weak opening with possibility of some range bound 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.	1676	1658	1733	1748
Dec.	1702	1679	1769	1786



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

**Candlestick:** Formation of candlestick is indicating a highly bearish pattern and weak 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, hinting the strength in the market.

**Alignment pattern:** The alignment pattern of moving averages is indicating short-term downtrend.

#### Market outlook:

Guar gum futures are likely to trade downwards following a weak opening with possibility of some range bound 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.	4352	4301	4561	4600
Dec.	4398	4349	4611	4647





## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a highly bearish sentiment during today's trade. Speculative selling pressurised the futures throughout the day and the futures settled near to the day's low in final action. The November future traded in the range of 1709.00-1787.00 today. At the spot markets also guar seed was quoted much lower at Rs 1740-1750 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered lower at Rs 1640-1650 per quintal, while at the Nokha market it was available at a lower price of Rs 1600 per quintal today. The guar gum futures at the NCDEX also witnessed a similar sentiment today. The November future traded in the range of 4491.00-4690.00 today. At the spot markets also guar gum was quoted much lower at Rs 4575 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets failed to extend previous advances today. Amidst significant downfall in the futures prices, the prices of both the guar seed and guar gum witnessed a downtrend in the physical markets today as against yesterday. 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. The lower crop estimation in this year has pushed up the prices of guar seed and guar gum significantly in the last few days. However, speculative selling underpinned the downside movement of the guar prices today. The traders are eyeing on the coming month, as the arrival of the new crop would pick up at that time, which would drive the market forces accordingly. The prices of guar seed and guar gum are likely to remain weak in the next day with possibility of some range bound upward movement later in the session.

### Guar Prices at Major Markets in Rajasthan

		(Rs./quintal)		
Commodity	Centres	21.10.05	20.10.05	Change
Guar Seed	Bikaner	1640-1650	1725	-85
	Jodhpur-B line	1740-1750	1810-1820	-70
	Jodhpur-M line	1720	1790	-70
	Nokha	1600	1640	-40
Guar Gum	Jodhpur	4575	4750	-175

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	375.00	370.80	370.10	-4.90
Jan.	362.90	357.50	354.00	-8.90

## Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a highly bearish sentiment following a weak opening today. The November as well as the January contract settled much lower on speculative selling pressure throughout the day.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures slid continuously on speculative selling pressure.

Dry weather prevailed over major guar growing regions.

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

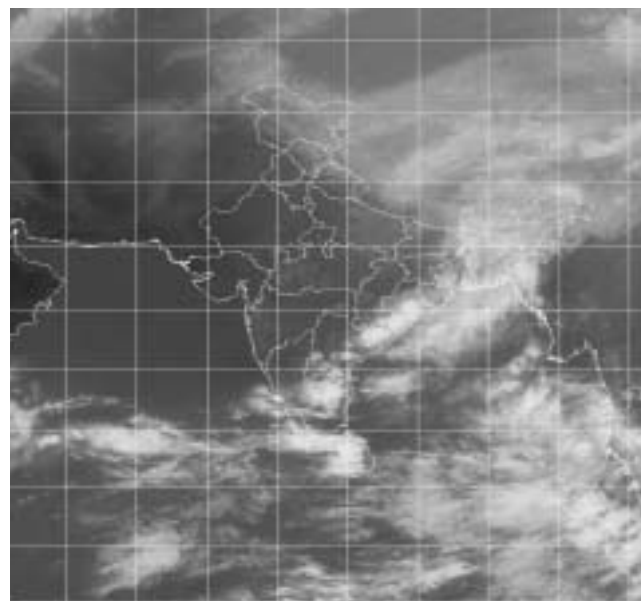
## WEATHER HIGHLIGHTS (21-10-05)

During past 24 hours heavy to very heavy rains have occurred at a few places over coastal areas of west Bengal and Orissa. Scattered moderate rains have also occurred over northeastern States. This enhanced rainfall activity is likely to extend to northeastern States during next 24-36 hours.

The upper air cyclonic circulation over Orissa and neighbourhood persists and now extends upto 3.0 km a.s.l. The trough in the middle troposphere now runs nearly along Long 82 deg E and north of Lat. 20 deg N. Under their influence fairly widespread rainfall is likely over northeastern States, West Bengal & Sikkim, Coastal Orissa, Bihar and Jharkhand during next 2-3 days. Heavy to very heavy rains are likely over Orissa, West Bengal and northeastern States.

The feeble low-pressure area over Coastal Andhra Pradesh and adjoining west central Bay of Bengal has become less marked. An upper air cyclonic circulation has formed over central parts of south Bay of Bengal.

### Cloud Cover today (IMD):



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