

## GUAR SEED and GUAR GUM

October 17, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Surged Up on Speculative Buying

### TECHNICAL ANALYSIS

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

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

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

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

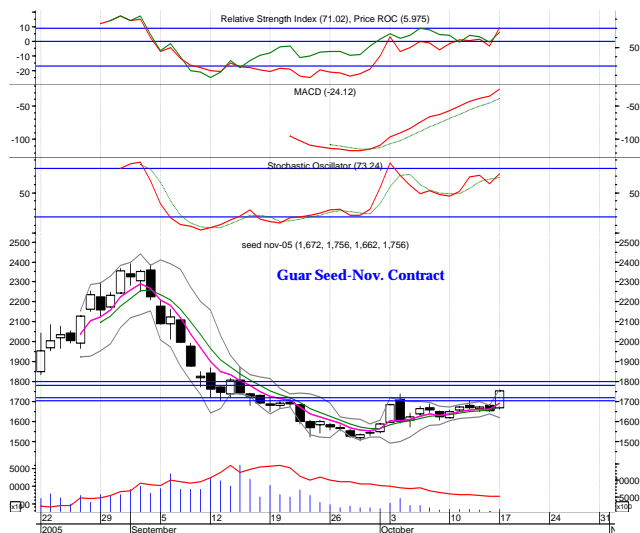
**Alignment pattern:** The alignment pattern of moving averages is also supporting the upward movement.

#### Market outlook:

Guar seed futures are expected to trade upwards following a firm opening with possibility of short-term downward correction 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.	1685	1670	1750	1765
Nov.	1721	1705	1783	1800
Dec.	1752	1739	1825	1840



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

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

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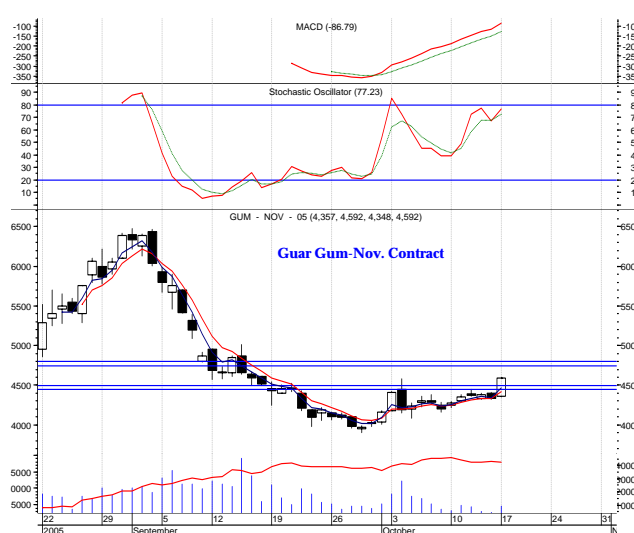
**Alignment pattern:** The alignment pattern of moving averages is also supporting the upward movement.

#### Market outlook:

Guar gum futures are likely to trade upwards following a firm opening with possibility of short-term downward correction 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.	4404	4359	4638	4680
Nov.	4492	4449	4741	4796
Dec.	4545	4501	4849	4885



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a highly bullish sentiment following a firm opening today. The November future traded in the range of 1662.00-1756.00 today. At the spot markets also guar seed was quoted higher at Rs 1750 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a higher price of Rs 1680-1690 per quintal, while at the Nokha market it was available at Rs 1600 per quintal today. The guar gum futures at the NCDEX witnessed a similar sentiment after a firm opening today. The November future traded in the range of 4348.00-4592.00 today. At the spot markets also guar gum was offered much higher at Rs 4550 per quintal in Jodhpur market today.

The guar physical markets witnessed a highly bullish sentiment today. Speculative buying at the futures market has underpinned the upside movement in prices of both guar seed and guar gum in futures as well as the physical markets. 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, according to the trade estimates the guar production in the country is likely to be around 4.5-5 lakh tonnes in this year. However, the arrival of the crop at the major guar markets is yet to pick up and traders are estimating that the arrival would increase significantly in the coming month. The market is likely to extend the firm sentiment till the arrival picks up. The prices of guar seed and guar gum are expected to remain strong in the next day with possibility of a short-term downward technical correction later in the session.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	17.10.05	15.10.05	Change
Guar Seed	Bikaner	1680-1690	1610-1615	+70
	Jodhpur-B line	1750	1690-1695	+60
	Jodhpur-M line	1725	1670	+55
Guar Gum	Nokha	1600	1530-1540	+70
	Jodhpur	4550	4325	+225

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	368.80	369.50	375.90	+7.10
Jan.	-	343.50	357.00	+13.50

### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a highly strong sentiment after a firm opening today. The November and the January contract settled much higher on speculative buying today.

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## SALIENT POINTS OF THE DAY

Guar seed and gum futures surged up on increased speculative buying.

Dry weather prevailed over major guar growing regions.

Prices are likely to move upwards following a firm opening with possibility of a short-term downward correction later in the session.

## WEATHER HIGHLIGHTS (17-10-05)

The upper air cyclonic circulation extending upto mid-tropospheric levels over east central Arabian Sea and adjoining Konkan coast now lies over East Madhya Pradesh & adjoining Vidarbha and extends upto 3.1.km a.s.l. Under its influence scattered rainfall activity is likely over central India during next 24 hours. Subsequently, this activity is likely to shift northeastwards to Northeastern States, West Bengal, Bihar and Jharkhand.

The well-marked low-pressure area over western parts of southeast and adjoining eastcentral Arabian Sea now lies over eastcentral Arabian Sea. The Western Disturbance as an upper air system over North Pakistan and adjoining Jammu & Kashmir now lies over extreme northwest Jammu & Kashmir. The induced upper air cyclonic circulation lies over central Pakistan upto 3.1 km a.s.l. persists. The trough in westerlies with its axis at 500 hpa now lies roughly along 72 degree east and north of 30 degree north.

As these systems are likely to move eastwards the rain/snow activity over Jammu & Kashmir will reduce considerably after next 24 hours leading to fall in temperature over northwest India. An upper air cyclonic circulation lies over central parts of south Bay of Bengal extending in middle tropospheric levels. Under its influence the rainfall activity over east coast is likely to increase from 19th.

### Cloud Cover today (IMD):

