

## GUAR SEED and GUAR GUM

October 03, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Strong Today
- Guar Futures Settled Up on Speculative Buying

### TECHNICAL ANALYSIS

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

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

**Stochastic:** The stochastic is moving upwards, the %K line after cutting the %D line from below moving sharply upwards in the overbought region, showing further improvement in prices.

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

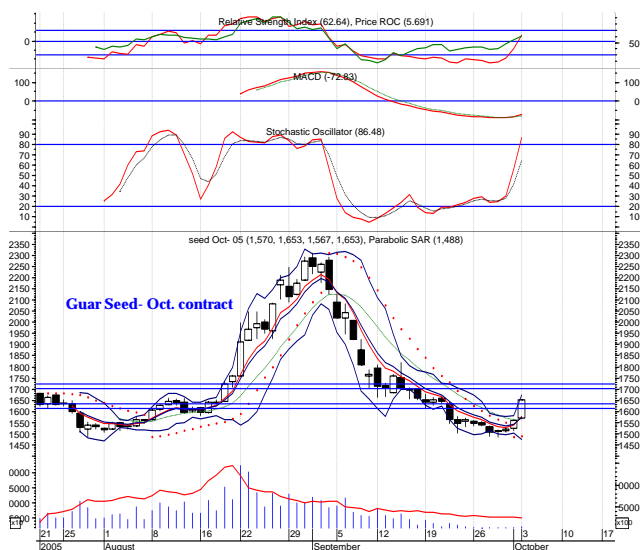
**Alignment pattern:** The alignment pattern of moving averages is also supporting the upward movement.

#### Market outlook:

Guar seed futures are expected to trade upwards following a firm opening with possibility of some downward movements. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1635	1613	1703	1725
Nov.	1653	1627	1727	1750



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

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

**Stochastic:** The stochastic is moving upwards, the %K line after cutting the %D line from below moving sharply upwards in the overbought region, showing further improvement in prices.

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

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

#### Market outlook:

Guar gum futures are expected to trade upwards following a firm opening with possibility of some downward movements. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4248	4187	4460	4527
Nov.	4315	4241	4577	4644



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX surged up again following a firm opening today. The October future traded in the range of 1567.00-1653.00 today. At the spot markets guar seed was quoted higher at Rs 1700-1725 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market also it was offered higher at Rs 1625-1650 per quintal, while at the Nokha market it was quoted at Rs 1525-1550 per quintal today. The guar gum futures at the NCDEX followed similar sentiment after a firm opening today. The October future traded in the range of 4105.00-4318.00 today. At the spot markets guar gum was offered higher at Rs 4400 per quintal in Jodhpur market at the evening session of trade.

The guar prices extended previous advances today. At the physical as well as the futures market both the guar seed and guar gum prices jumped up on speculation of lower than expected higher crop. The trade estimation of guar crop now hovers around 40-45 lakh bags as against earlier estimation of 50-55 lakh bags. The concern over such lower estimation has underpinned the upside movement in guar prices. The Southwest monsoon has further withdrawn from some more parts of East Madhya Pradesh, West Madhya Pradesh, Gujarat Region and the remaining parts of Saurashtra & Kutch and north Arabian Sea. Mainly dry weather has prevailed over guar growing regions. Under such circumstances both the guar seed and guar gum is expected to trade upwards following a firm opening with possibility of some downward movements in the next day.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	03.10.05	01.10.05	Change
Guar Seed	Bikaner	1625-1650	1570-1580	+70
	Jodhpur-B line	1700-1725	1600	+125
	Jodhpur-M line	1675-1700	1575	+125
	Nokha	1525-1550	1430-1440	+110
Guar Gum	Jodhpur	4400	4150	+250

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	371.00	373.00	374.60	+3.60

### Price Movements at Bikaner Vayda

The guar future at the Bikaner vayda witnessed a strong sentiment after a firm opening today. The November future tested the day's high at 375.50 and finished higher on speculative buying support today.

## SALIENT POINTS OF THE DAY

Guar seed and gum prices jumped up on speculation of lower than expected higher crop.

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

Prices are expected to remain strong after a firm opening with possibility of some downward movements.

## WEATHER HIGHLIGHTS (03-10-05)

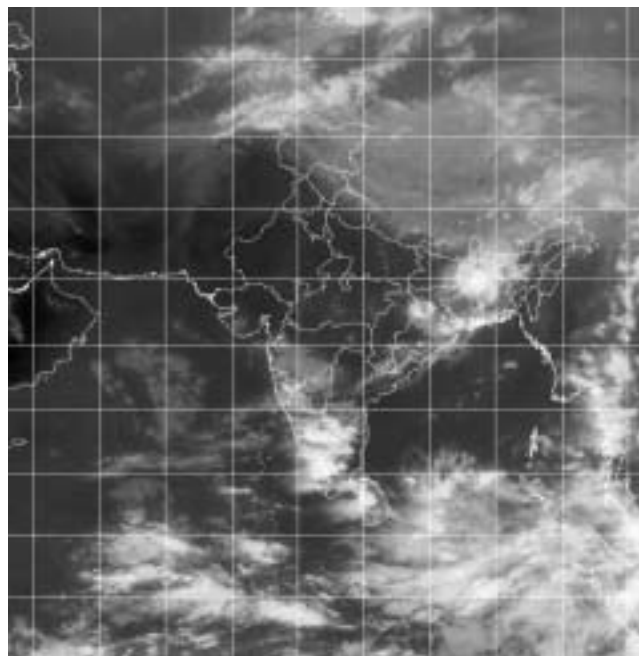
Southwest monsoon has further withdrawn from some more parts of East Madhya Pradesh, West Madhya Pradesh, Gujarat Region and the remaining parts of Saurashtra & Kutch and north Arabian Sea. The withdrawal line passes through Bahraich, Allahabad, Umeria, Seoni, Khandwa, Surat 20° N/ 69° E and 20° N/ 60° E.

Yesterday's low pressure area over northwest Bay of Bengal and adjoining north Orissa-Gangetic West Bengal coast moved north-northeastwards and became well marked. It now lies over southern parts of Gangetic West Bengal & neighbourhood. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under its influence fairly widespread rainfall with heavy to very heavy falls is likely over northeastern States and West Bengal & Sikkim during next 2-3 days.

The upper air cyclonic circulation over Saurashtra & Kutch and adjoining southeast Pakistan has become less marked.

A western disturbance as an upper air system lies over north Pakistan and neighbourhood.

### Cloud Cover today (IMD):



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