

## GUAR SEED and GUAR GUM

October 31, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Bearish Today
- Guar Futures: Profit Taking Capped Early Gains

### TECHNICAL ANALYSIS

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

**Candlestick:** Formation of candlesticks is showing a weakly bearish pattern and steady opening.

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

**MACD:** The MACD (5-day) has made a bearish crossover with its EMA in the positive territory, supporting the weakness in the market.

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

#### Market outlook:

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

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1700	1691	1730	1740
Dec.	1750	1732	1799	1816



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

**Candlestick:** Formation of candlestick is showing a weakly bullish pattern and steady opening.

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

**MACD:** The MACD (5-day) is about to cut its EMA from above in the positive territory, supporting the weakness in the market.

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

#### Market outlook:

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

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4530	4505	4625	4650
Dec.	4600	4555	4725	4761



## MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed an upward trade following a firm opening initially. However, increased selling pressure at the higher price levels capped further advances and the futures settled near to the lower side. The November future traded in the range of 1711.00-1737.00 today. At the spot markets guar seed was quoted lower at Rs 1775 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1680 per quintal today. The Nokha market remained closed today. The guar gum futures at the NCDEX also witnessed a strong sentiment after a firm opening at the early hours of trade. However, profit booking cut back most of the gains and the futures finished near the lower side. The November future traded in the range of 4537.00-4642.00 today. At the spot markets guar gum was offered steady at Rs 4600 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets remained on an average weak today. Profit taking at the futures market cut back the morning gains in futures as well as the physical markets today. Guar seed was quoted mostly lower today at the major physical markets. However, guar gum prices managed to remain at an unchanged level. The agriculture ministry of Rajasthan has projected the guar production in the state to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. Moreover, the traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices were hovering near the higher levels for the last few days. 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 moderately weak initially and upward thereafter in the next day.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	31.10.05	29.10.05	Change
Guar Seed	Bikaner	1680	1700	-20
	Jodhpur-B line	1775	1790	-15
	Jodhpur-M line	1750	1765	-15
	Nokha	Closed	1615-1620	-
Guar Gum	Jodhpur	4600	4600	-

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	368.00	368.00	367.50	-0.50
Jan.	356.80	356.80	354.50	-2.30

## Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment after a steady opening today. The November and the January contract finished lower on profit taking at the higher levels.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures capped further advances on profit taking at higher price levels.

Dry weather prevailed over major guar growing regions.

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

## WEATHER HIGHLIGHTS (31-10-05)

Yesterday's feeble low-pressure area over south Coastal Andhra Pradesh and neighbourhood has become less marked. However, the associated upper air cyclonic circulation persists and extends upto 3.1 km a.s.l. Under its influence, scattered rainfall is likely over south Peninsula.

An upper air cyclonic circulation extending upto 0.9 km a.s.l. lies over Central Pakistan.

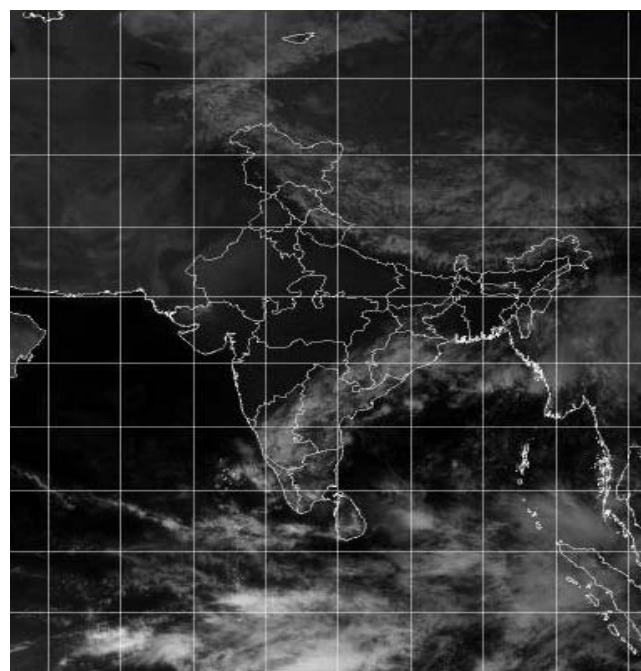
**NORTH:** Isolated rain/snow likely over higher reaches of Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Mainly dry weather is likely over rest of the region.

**EAST:** Rain/thundershowers likely at a few places over coastal Orissa and isolated in the rest region outside Bihar, Jharkhand and East Madhya Pradesh where weather may be mainly dry.

**SOUTH:** Rain/thundershowers likely at a few places in the region outside Lakshadweep where it may be isolated.

**WEST:** Mainly dry weather likely in the region.

## Cloud Cover today (IMD):



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