

## GUAR SEED and GUAR GUM

November 04, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Weak 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 bearish pattern and weak opening.

**Stochastic:** The %K-line after cutting the %D-line from above moving sharply downwards in the oversold region, hinting further downtrend with possibility of an upward technical correction.

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

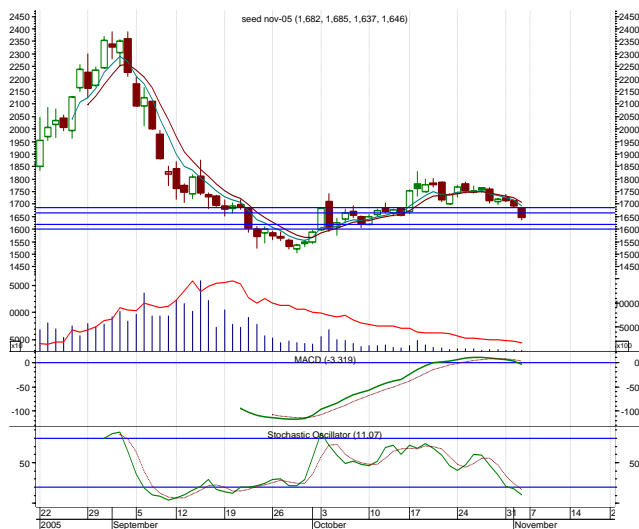
**Alignment pattern:** The alignment pattern of moving averages is also supporting the downtrend.

#### Market outlook:

Guar seed futures are expected to trade downwards following a weak opening with possibility of an upward technical correction. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1620	1600	1665	1685
Dec.	1668	1651	1713	1729



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

**Candlestick:** Formation of candlestick is showing a bearish pattern and weak opening.

**Stochastic:** The %K-line after cutting the %D-line from above moving sharply downwards in the oversold region, hinting further downtrend with possibility of an upward technical correction.

**MACD:** The MACD (5-day) has made a bearish crossover with its EMA in the positive territory and moving downwards, showing 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 downwards following a weak opening with possibility of an upward technical correction. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4290	4244	4408	4443
Dec.	4384	4349	4489	4520



## MARKET COMMENTARY OF MAJOR MARKETS

At the futures market the guar seed futures at the NCDEX witnessed a highly bearish sentiment today. Increased speculative selling underpinned the downside movement of the guar seed futures. The November guar seed future traded in a lower range of 1637.00-1685.00 today. At the spot markets also guar seed was quoted lower at Rs 1700 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a lower price of 1650 per quintal, while at the Nokha market it was offered at Rs 1540 per quintal today. At the futures market the guar gum futures at the NCDEX also remained highly bearish today. The November guar gum future traded in a lower range of 4317.00-4459.00 today. At the spot markets also guar gum was quoted lower at Rs 4425-4450 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets remained weak today. The prices of both guar seed and guar gum slid on increased arrival at the physical markets. Moreover, anticipation of a higher arrival in the coming weeks continues to pressurise the prices. 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 were estimating further lower crop size in this year. Under such circumstances the prices were hovering near the higher levels for the last couple of weeks at the physical markets. Traders are eyeing on the coming weeks when the arrival of the new crop is likely to pick up further and determine the actual demand-supply scenario. The prices of guar seed and guar gum are likely to remain weak in the next day with possibility of an upward correction later.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	04.11.05	03.11.05	Change
Guar Seed	Bikaner	1650	Closed	-
	Jodhpur-B line	1700	Closed	-
	Jodhpur-M line	1675	Closed	-
	Nokha	1540	Closed	-
Guar Gum	Jodhpur	4425-4450	Closed	-

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	365.50	-	-	-
Jan.	345.00	-	-	-

### Price Movements at Bikaner Vayda

The Bikaner vayda remained closed today.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures remained highly bearish on speculative selling pressure.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to remain bearish in the next day with possibility of an upward correction later.

## WEATHER HIGHLIGHTS (04-11-05)

Under the influence of the upper air cyclonic circulation a low-pressure area has formed over south Bay of Bengal. Associated cyclonic circulation extends upto mid-tropospheric levels tilting southwestward with height. Under its influence, scattered to fairly widespread rainfall is likely over south Peninsula with isolated heavy falls over Tamil Nadu & Pondicherry, Kerala and Lakshadweep.

The upper air cyclonic circulation over Punjab and neighbourhood persists and extends upto 3.1 km a.s.l.

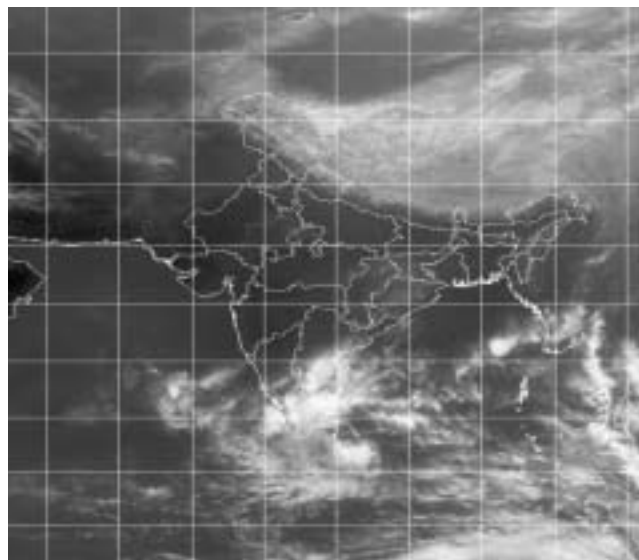
**NORTH:** Rain/snow likely at isolated places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers likely at isolated places over the rest region outside East Uttar Pradesh where weather will be mainly dry.

**EAST:** Isolated rain/thundershowers likely over the region outside Bihar where weather may be mainly dry.

**SOUTH:** Rain/thundershowers likely at many places over Tamil Nadu & Pondicherry, Kerala and Lakshadweep; at a few places over South Coastal Andhra Pradesh, Rayalaseema, South Interior Karnataka and Andaman & Nicobar Islands and at isolated places over the rest region.

**WEST:** Weather will be mainly dry in the region.

### Cloud Cover today (IMD):



### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd