

## GUAR SEED and GUAR GUM

November 07-12, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Firmly with Moderate Arrivals
- Guar Futures: Finished Higher but with Bearish Undertone

### MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures started this week with slight advances. However, profit booking capped any further advances and the futures witnessed this week's low on Tuesday. Increased buying interest at the lower price levels pushed up the futures thereafter. The futures tested this week's high on Thursday and traded range bound for the rest of the week. Overall, the futures finished this week with gains but with a bearish undertone. The guar seed futures at the NCDEX witnessed moderate uptrend following a slightly weak opening during Saturday's trade. However, speculative selling at the higher levels capped further advances and the futures settled near to the day's low in final action. The November future traded in the range of 1718.00-1740.00 during Saturday's trade. At the physical markets also the guar seed was traded with a similar sentiment during this week. The Bikaner line 98% whitish guar seed was quoted in the range of Rs 1730-1800 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained between Rs 1660-1710 per quintal during this week. At the Nokha market it was available at Rs 1580-1630 per quintal during this week. At the Sriganganagar market it was offered in the range of Rs 1500-1615 per quintal, while at the Shiwani market it was quoted in the range of Rs 1525-1590 per quintal during this week.

The guar physical markets witnessed a weak sentiment during the first couple of days in this week. However, the sentiment remained strong during the mid-week and the prices of guar were quoted much higher during the mid-week period. However, increased selling at the futures market during the weekend underpinned the downtrend at the physical markets and the prices of guar seed cut back most of the gains but managed to hold some gains in this week. The arrival of the new crop is fast picking up and consequently the prices are facing a likely downtrend. Under such circumstances the prices of guar seed is likely to remain weak during the first half of the coming week with possibility of an uptrend during the later half.

#### Spot Market Prices of Guar in Main Markets of Rajasthan (Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
07.11.05	1680	1740-1750	1725	1580-1590
12.11.05	1680-1690	1770-1780	1750	1615-1620
Change	+10	+30	+25	+30

#### Market Commentary on Guar Gum

The guar gum futures at the NCDEX started the week at a lower ground but remained strong thereafter. The guar gum futures tested this week's high on Thursday. However, the futures traded range bound thereafter and finished the week with a bearish undertone. The November future traded in the range of 4615.00-4690.00 during Saturday's trade.

At the physical markets guar gum was traded in the range of Rs 4500-4700 per quintal in Jodhpur market during this week. The prices of guar gum are likely to remain bearish in the coming week with possibility of some upward movement during the later half.

#### Price Movement of Guar Seed and Gum at NCDEX Vayda (Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
07.11.05	1656.75	1647.10	4522.35
08.11.05	1662.10	1645.30	4510.00
09.11.05	1685.85	1664.55	4617.20
10.11.05	1706.30	1663.95	4612.50
11.11.05	1720.40	1676.50	4634.85
12.11.05	1720.40	1678.20	4643.20
Change (Rs)	+63.65	+31.10	+120.85

#### Guar Seed Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
07.11.05	1700	1696	1755	1751	1810	1795
08.11.05	1700	1692	1753	1747	1796	1795
09.11.05	1689	1720	1741	1780	1795	1834
10.11.05	1725	1725	1788	1784	1839	1836
11.11.05	1732	1734	1785	1793	1844	1855
12.11.05	1732	1728	1791	1780	1855	1837

## Guar Gum Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
07.11.05	4510	4507	4585	4601	4685	4700
08.11.05	4534	4506	4601	4602	4720	4701
09.11.05	4506	4631	4605	4728	4675	4824
10.11.05	4649	4642	4705	4739	4818	4836
11.11.05	4620	4676	4750	4769	4840	4867
12.11.05	4675	4648	4770	4735	4873	4840

## WEATHER WATCH (12.11.05)

### ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

#### Monsoon Outlook

The upper air cyclonic circulation over southwest Bay of Bengal persists and extends upto 3.1 km above sea level. Another upper air cyclonic circulation over southeast Arabian sea also persists.

Under the influence of these systems, fairly widespread rains with isolated heavy falls are likely over Coastal Tamil Nadu & Pondicherry, Kerala and Lakshadweep during next 48 Hrs. NE monsoon flow is expected to weaken further leading to reduction of rainfall activity over the region.

Under this scenario, scattered light to moderate rainfall is likely over Tamil Nadu, South Coastal Andhra Pradesh and Kerala during 15-17 November 2005.

Model prediction suggest that a western disturbance is likely to approach J&K and adjoining area by 16th November, 2005 and cause isolated to scattered rains/snow over the region beginning from 16th.

#### NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Isolated to scattered snow/rains are expected over J & K, Himachal Pradesh and adjoining area during 16-17 November. Mainly dry weather may prevail over plains of NW India.

#### EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Mainly dry weather is likely to prevail over the region.

#### CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely to continue during next 5 days.

#### SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Scattered to fairly widespread rains are likely over Tamil Nadu & Pondicherry, Kerala and Lakshadweep Islands during next 2 days. Thereafter, rainfall activity over the region is likely to reduce.

#### WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Mainly dry weather is likely to prevail over the region.

Source: GOI (NCMRWF& IMD)

## TECHNICAL ANALYSIS

### Commodity: Guar Seed

#### Perspective: Very Short Term (Weekly)

#### NCDEX December Contract

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

**Stochastic:** The stochastic is moving downwards; 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) has made a bearish crossover with its EMA in positive region and moving downwards in the normal region, supporting the weakness in the market.

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

#### Market Outlook:

Guar seed prices are expected to open weak and trade downwards in the coming couple of days. However, the futures are likely to get supported and may move upwards from the mid-week.



**Commodity: Guar Gum**

**Perspective: Very Short Term (Weekly)**

**NCDEX December Contract**

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

**Stochastic:** The stochastic is moving downwards; the % -K line after cutting the % -D line from above moving downwards in the normal region, indicating further downward movement.

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

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

#### **Market Outlook:**

Guar gum prices are expected to open weak and trade downwards in the coming couple of days. However, the futures are likely to get supported and may move upwards from the mid-week.



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