

## GUAR SEED and GUAR GUM

November 03, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Closed Today
- Guar Futures: NCDEX Remained Closed Today

### 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 downwards and it has entered the oversold region, showing 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, supporting the weakness in the market.

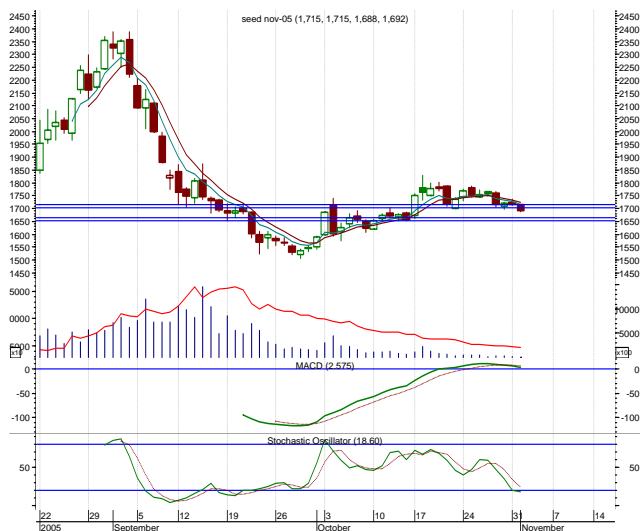
**Alignment pattern:** The alignment pattern of moving averages is also supporting the downward movement.

#### 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.	1665	1653	1704	1716
Dec.	1716	1700	1749	1761



**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 downwards and it has entered the oversold region, showing 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, supporting the weakness in the market.

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

#### 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.	4429	4400	4523	4557
Dec.	4507	4472	4617	4648



## MARKET COMMENTARY OF MAJOR MARKETS

The guar futures witnessed a bearish sentiment during **Muharat trading** on Tuesday. The guar seed November future traded in the range of 1688.00-1715.00, while the December future hovered in the range of 1732.00-1768.00 during the Muharat trading. The guar gum futures also remained weak during Muharat trading. The November future traded in the range of 4470.00-4628.00, while the December future fluctuated in the range of 4565.00-4645.00 during Muharat trading on Tuesday.

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 couple of weeks. However, anticipating a higher arrival in the coming days, speculative selling was the main feature of Tuesday's trade. Traders are eyeing on the coming weeks 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 weak in the next trading day with possibility of an upward correction later.

### Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	03.11.05	02.11.05	Change
Guar Seed	Bikaner	Closed	Closed	-
	Jodhpur-B line	Closed	Closed	-
	Jodhpur-M line	Closed	Closed	-
Guar Gum	Nokha	Closed	Closed	-
	Jodhpur	Closed	Closed	-

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	367.50	366.50	365.50	-2.00
Jan.	354.50	349.50	345.00	-9.50

### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a highly bearish sentiment after a weak opening during today's trade. The November future settled down, while the January future also finished much lower on increased speculative selling pressure throughout the day.

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## SALIENT POINTS OF THE DAY

Major guar physical markets as well futures market (NCDEX) remained closed today.

Guar futures at Bikaner vayda remained highly bearish today.

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

## WEATHER HIGHLIGHTS (03-11-05)

Yesterday's upper air cyclonic circulation over north Tamil Nadu and neighbourhood has become less marked. An upper air cyclonic circulation extending upto mid-tropospheric level lies over south Bay of Bengal. Under its influence, scattered to fairly widespread rainfall is likely over south Peninsula with isolated heavy falls over Tamil Nadu.

The upper air cyclonic circulation extending upto 1.5 km a.s.l. over north Bay of Bengal and neighbourhood is also less marked. The upper air cyclonic circulation over central Pakistan neighbourhood now lies over Punjab and neighbourhood 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 Uttar Pradesh where weather will be mainly dry.

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

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

**WEST:** Isolated rain/thundershowers likely over north Rajasthan and weather will be mainly dry in the rest region.

### Cloud Cover today (IMD):

