

## GUAR SEED and GUAR GUM

November 16, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Settled Down; Curbed Previous Gains

### TECHNICAL ANALYSIS

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

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

**Stochastic:** The %K-line after cutting the %D-line from above moving downwards and it has entered the oversold region, hinting further downward movement.

**MACD:** The MACD (5-day) has made a bearish crossover with its EMA and moving downwards, 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 downwards following a steady to weak opening with possibility of some upward movement early in the session. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1646	1635	1682	1692
Dec.	1699	1688	1734	1744



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

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

**Stochastic:** The %K-line after cutting the %D-line from above moving downwards and it has entered the oversold region, showing further downward movement.

**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 gum futures are likely to trade downwards following a steady to weak opening with possibility of some upward movement early in the session. Trade with very-short term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4426	4399	4521	4550
Dec.	4499	4471	4597	4629



## SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower after curbing early gains in late action.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move downwards with possibility of some upward movement early in the session.

## MARKET COMMENTARY

### GUAR SEED:

The guar seed futures at the NCDEX witnessed some downward movement following a firm opening initially. Increased buying support at the lower levels pushed up the futures further. However, the futures wiped away the gains and settled near to the day's low in late selling pressure. The December future traded in the range of 1721.00-1755.00 today. At the spot markets also guar seed was quoted lower at Rs 1725 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded lower at Rs 1640 per quintal, while at the Nokha market it was offered at a lower price of Rs 1570-1575 per quintal today. At the Sriganganagar market it was available at a lower price of Rs 1550 per quintal, while at the Shiwani market it was quoted lower at Rs 1545-1550 per quintal today.

### GUAR GUM:

The guar gum futures at the NCDEX traded downwards after a firm opening at the early hours of trade. The futures witnessed some uptrend thereafter on increased buying support. However, the futures finished with losses on late selling pressure. The December future fluctuated in the range of 4570.00-4674.00 today. At the spot markets guar gum was quoted lower at Rs 4500 per quintal in Jodhpur market at the evening session of trade.

### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed some advances during the morning session of trade. However, the prices wiped away the early gains on a moderately higher arrival at the major physical markets. Moreover, the late slid in the futures market has also underpinned the downfall in prices of both the guar seed and guar gum at the physical markets. The crop arrivals at the major markets are fast picking up and consequently the prices are facing a downtrend in the coming days. However, for a long-term perspective the prices are likely to remain at a higher territory, which is encouraging the long-term buyers to enter the market even at the present levels. Under such

circumstances the prices of both the guar seed and guar gum are expected to move downwards with possibility of some upwards movement early in the session.

### Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	16.11.05	15.11.05	Change
Guar Seed	Bikaner	1640	1650	-10
	Jodhpur-B line	1725	1740-1745	-15
	Jodhpur-M line	1700	1720	-20
	Nokha	1570-1575	1590-1595	-20
	Sriganganagar	1550	1565-1570	-15
Guar Gum	Shiwani	1545-1550	1560-1565	-15
	Jodhpur	4500	4525-4550	-25

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	363.60	363.70	363.50	-0.10
Jan.	347.90	349.90	348.00	+0.10

### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a mixed sentiment during today's trade following a firm opening today. The November future settled slightly lower, while the January future finished marginally higher today after both futures cut back most of today's gains.

## WEATHER HIGHLIGHTS (16-11-05)

Favourable dry weather is prevailing over major guar growing regions of Rajasthan, Haryana and Gujarat.

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