

## GUAR SEED and GUAR GUM

December 08, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Weakness Today
- Guar Futures: Settled Down on Speculative Selling

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Bearish, lying below signal line  
**Stochastic:** Bearish, %K-line cut %D-line from above  
**Overall:** Bearish

#### Market Outlook:

The guar seed futures are expected to trade downwards following a weak opening with possibility of some upwards movement later in the session. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	1652	1641	1679	1688
Jan.	1695	1681	1731	1744

#### Intraday Trade Recommendations:

**Sell** December Guar Seed at 1665 with **target** of 1650, then 1645. **Stop loss** at 1672.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Bearish, lying below signal line  
**Stochastic:** Bearish, %K-line cut %D-line from above  
**Overall:** Bearish

#### Market Outlook:

The guar gum futures are likely to trade downwards following a weak opening with possibility of some upwards movement later in the session. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	4408	4373	4514	4542
Jan.	4509	4488	4605	4626

#### Intraday Trade Recommendations:

**Sell** December Guar Gum at 4465 with **target** of 4435, then 4415. **Stop loss** at 4480.

Do not carry forward the position until the next day.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures settled down on speculative selling.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move downwards following a weak opening with possibility of some upwards movement.

## MARKET COMMENTARY

### GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening today. Increased speculative selling has underpinned the downward movement and the futures settled near to the day's low in final action. The December future traded in the range of 1657.00-1684.00 during today's trade. At the spot markets guar seed was quoted lower at Rs 1700-1710 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1610 per quintal, while at the Nokha market it was traded at a lower price of Rs 1545-1550 per quintal today. At the Sriganganagar market it was available at a lower price of Rs 1565-1570 per quintal, while at the Shiwani market it was quoted lower at Rs 1575 per quintal during today's trade.

### GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a slightly higher opening today. The guar gum futures finished near to the day's low in final action on speculative selling interest. The December future traded in the range of 4460.00-4550.00 today. At the spot markets guar gum was quoted lower at Rs 4475 per quintal in Jodhpur market at the evening session of trade.

### PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended yesterday's weakness today. The prices of both the guar seed as well as guar gum were quoted lower today as against yesterday. The arrivals at the major physical markets were reported to be steady at the higher side today. Moreover, the spillover weakness from the futures market has also underpinned the bearish sentiment in the physical markets. Traders are expecting that the prices of both the guar seed as well as the guar gum would improve during the coming months, as the arrivals are likely to decline gradually in the coming weeks. For a short-term perspective, the prices of both the guar seed and guar gum are expected to move downwards in the next day with possibility of some upwards movement later in the session.

## Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	08.12.05	07.12.05	Change
Guar Seed	Bikaner	1610	1620	-10
	Jodhpur-B line	1700-1710	1710-1715	-5
	Jodhpur-M line	1680-1690	1695-1700	-10
	Nokha	1545-1550	1550-1555	-5
Guar Gum	Sriganganagar	1565-1570	1570-1575	-5
	Shiwani	1575	1580	-5
	Jodhpur	4475	4525	-50

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	340.70	340.00	336.90	-3.80

### Price Movements at Bikaner Vayda

The Bikaner vayda extended yesterday's weakness today after a lower opening. The January future settled lower on increased speculative selling today.

## WEATHER HIGHLIGHTS (08-12-05)

**NORTH:** Mainly dry weather is likely over the region. However isolated rain/snow likely over Jammu & Kashmir from 9<sup>th</sup> onwards.

**WEST:** Mainly dry weather over the region.

Overall, mainly dry weather is prevailing over major guar growing regions.

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