23rd April 2018

NCDEX Guar Gum May

Recommendation

Scrip: GUAR GUM

Exchange: NCDEX

Expire: MAY

Entry: 9174

Target: 9960

Stop loss: 8700

Risk Reward: 1:1.70

Technical Trigger

Weekly stochastic (14, 3,5): 14

Daily RSI (14): 86

Weekly RSI (14): 53

- After making a high of 10625 during January 2018, guar gum prices have been trading on corrective note and in the recent weeks it has made low of 8714. For last few week Guar Gum is consolidating in the narrow range of 8714 -9164 levels.
- On the technical front, the prices are recovering slowly after precisely testing the downward slanting trend line as well as 61.8% retracement of recent rally. After making a Doji candle stick pattern on weekly basis, the price moved higher and penetrated the upper band resistance of 9164 mark.
- On the broader scenario, prices are moving in the rising trend channel and propelling out of the consolidation phase indicates fresh bullish move for upside levels of 9700 then 9960 of 50% and 61.8% retracement levels.
- On the weekly chart, momentum indicator stochastic which slipped into the oversold zone is leading towards the positive cross over and the RSI indicator has stabled around the 50 mark and it is also moving higher is providing positive signs.
- **Hence, from the above analysis, we expect guar gum prices has made the bottom and is likely to provide fresh bullish move towards 9700 then 9950 levels and recommend buying around 9174 levels.**

STRATEGY: BUY GUAR GUM MAY ABV 9170 TGT 9960 SL 8700

TEAM

ANALYST	DESIGNATION	EMAIL	TELEPHONE
Aditya Agarwal	Head – Technical Research	aditya@way2wealth.com	+9122-61462955
Monil Shah, CMT	Sr. Technical Analyst – Equity & Forex	monilshah@way2wealth.com	+9122-61462980
Harish Jujarey	Sr. Technical Analyst – Commodity	harishjujarey@way2wealth.com	+9122-61462952
Mohit Agarwal	Technical Analyst – Forex & Commodity	mohitk@way2wealth.com	+9122-61462954