

## GUAR SEED and GUAR GUM

June 22, 2005

### MAJOR ACTIVITY HIGHLIGHTS

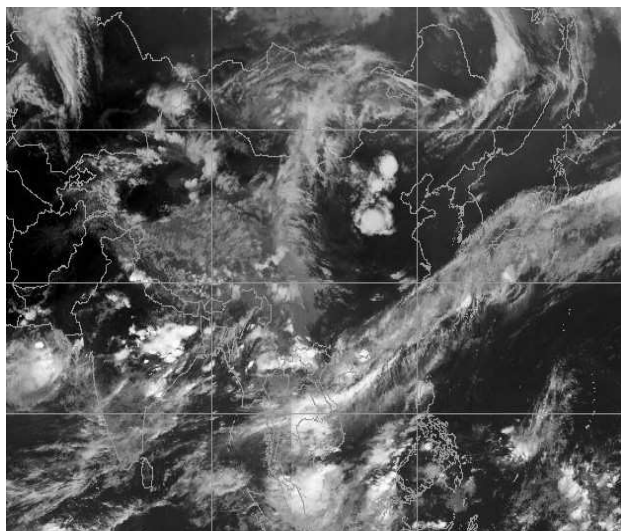
- Guar seed and gum traded weaker
- Guar vayda settled lower

### MARKET COMMENTARY OF MAJOR MARKETS

Jodhpur witnessed slight rains last night and this pushed the sentiments of guar seed towards downward. All the contracts of guar seed at NCDEX opened weak and traded range bound downward through out the day and finally settled at lower level. Physical markets of guar followed the same and slipped slightly. Bikaner line 98% whitish guar seed was sold at Rs.1630-35 per quintal in Jodhpur market during evening, slightly lower from yesterday's level. Nagaur-Merta line was available at around Rs.1610 per quintal in the same market. In Bikaner market, guar seed was priced at Rs.1540 per quintal. Other markets witnessed steady trade today.

Guar gum future contracts traded range bound downward after its opening today morning and guided physical markets to follow it and in all, physical markets also witnessed marginal downward trade. Guar gum in Jodhpur market was sold at Rs.4275 per quintal. By-products of guar gum processing, i.e. guar Churi and guar Korma are not witnessing any demand now days and were sold at Rs.380 and Rs.440 per 75 kg, respectively.

**Satellite Image Showing Monsoon Cloud Cover Over Indian Sea at 05:30PM (Source:BBC)**



Monsoon is progressing almost normally. There were slight showers in Jodhpur last night, though not of monsoon rains,

which turned the sentiments downward for today's trade. Now monsoon has entered Saurashtra, Kutchh and South Gujarat regions and expected to move further. This may turn the sentiments downward at least for the time being but still there are chances for its price to go up as technical correction is expected towards higher side for next few days.

### Salient points of the day

- It rained slightly in Jodhpur last night. Few other regions of Rajasthan also witnessed slight rains last day.
- Range bound downward trade during whole day and settled lower at the end.
- Monsoon has further advanced in more parts of the country.
- Partly cloudy to clear weather in Jodhpur, Ganganagar, Bikaner, Nokha etc.

### Prices and arrivals of Guar seed and guar gum in major markets

CommodityCentres	21.06.05	22.06.05	Change
Guar seed: Bikaner	1560	1545	-15
Jodhpur-B line	1645	1630	-15
Jodhpur-M line	1615	1610	-5
Nokha	1500	1480	-20
Alwar	1410	1400	-10
Khairthal	1400	1400	0
Ganganagar	1550	1535	-15
Guar Gum:	4325	4275-4300	-25

### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	319.5	317.6	318.7	-0.8

### Price movements at Bikaner Vayda

Bikaner guar seed traded range bound downward and settled slightly lower than previous close. July guar opened at 317.6 and closed at 318.7, and down by Rs.4 per quintal from last day close.

## WEATHER WATCH

### Forecast for next 24 hours

North : rain/thundershowers likely at a few places east of Uttar Pradesh and isolated over west Uttar Pradesh, Himachal Pradesh and Uttaranchal. Isolated duststorm/thunder-storm likely over Punjab, Haryana and Delhi. Mainly dry weather in the rest region.

East : rain/thundershowers likely at many places in the northeastern states. West Bengal & Sikkim and north Bihar at a few places over the rest region.

South :rain/thundershowers likely at most places over coastal Karnataka; at many places over Kerala and Lakshadweep and at a few places in the rest of the region .

West : rain/thundershowers likely at most places in Konkan & Goa; at many places over madhya Maharashtra, Saurashtra and south Gujarat region and at a few places in the rest region outside west Madhya Pradesh and Rajasthan where it may be isolated. Isolated duststorm is also likely over Rajasthan.

### Warning

Heavy to very heavy rainfall likely at a few places over Konkan & Goa, and coastal Karnataka. Isolated heavy rainfall also likely over northeastern states, sub Himalayan West Bengal & Sikkim, Saurashtra & Kutch, south Gujarat region, Kerala and Lakshadweep, Wind speed of 50-60 km/h gusting to 70 km/h likely along and off Saurashtra & Kutch coast.

### (Forecast as on June 20, 2005- for next 5 days)

**North & North-West India** [ J&K, HP, Uttaranchal, Punjab, Haryana, West UP]

Mainly dry weather is likely to prevail over plains of northwest India during next 5 days.

Plains of north india are likely to experience moderate heat wave conditions over parts of west U.P. and Haryana during next 2-3 days.

A weak western disturbance is likely to move across J&K and adjoining hilly regions of NW India in an eastward direction. It may cause isolated rainfall/snowfall over hilly regions of NW India during next 24 hrs.

**East and NE India** [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE States]

North-eastern states and West Bengal are likely to receive fairly widespread to widespread rains/ thundershowers during next 3-4 days.

Scattered rain/thundershowers are expected over Orissa and isolated over Jharkhand and Bihar during next 4-5 days.

Heat wave condition may improve over Orissa and Bihar during next 3 days.

Heat wave condition over east U.P. may continue.

**Central India** [ MP, Chattisgarh, Vidarbha]

Vidarbha and Chattisgarh are likely to receive isolated to scattered rains during next 3-4 days.

Prevailing heat wave condition over Chattisgarh and Vidarbha is likely to improve during next 3-4 days.

**South India** [ Tamilnadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Fairly widespread to widespread rainfall is likely over Andaman & Nicobar Islands, and scattered rainfall over Lakshadweep, Kerala, coastal Karnataka, south interior Karnataka north-interior Karnataka, south coastal A.P., Telangana and Rayalseema during next 3 days. Rest of the region is expected to receive isolated rainfall.

**West India** [ Maharashtra other than Vidarbha, Gujarat, Rajasthan]

Widespread rainfall with isolated heavy to very rainfall is likely over Konkan & Goa; scattered to fairly wide spread over madhya Maharashtra, Marathwada and south Gujarat region and isolated over Saurashtra & Kutch during next 3-5 days.

Rajasthan is likely to experience mainly dry weather during next 5 days.

## TECHNICAL ANALYSIS

**Commodity: Guar Seed**

**Perspective: Very Short Term**

**NCDEX July Contract**

### Candlestick:

Formation of Candlestick pattern is indicating towards weaker opening and range bound trade, marginally higher on Thursday.

### Stochastic:

The stochastic is moving upward. %K line is lying below oversold line but has crossed %D line from below, and now expecting the technical correction towards higher side.

### MACD:

The MACD (5-day) is still moving downward and lying below its EMA, indicating that prices may remain weaker.

### Alignment pattern:

The alignment pattern of moving averages is giving signal for downward moves in prices.

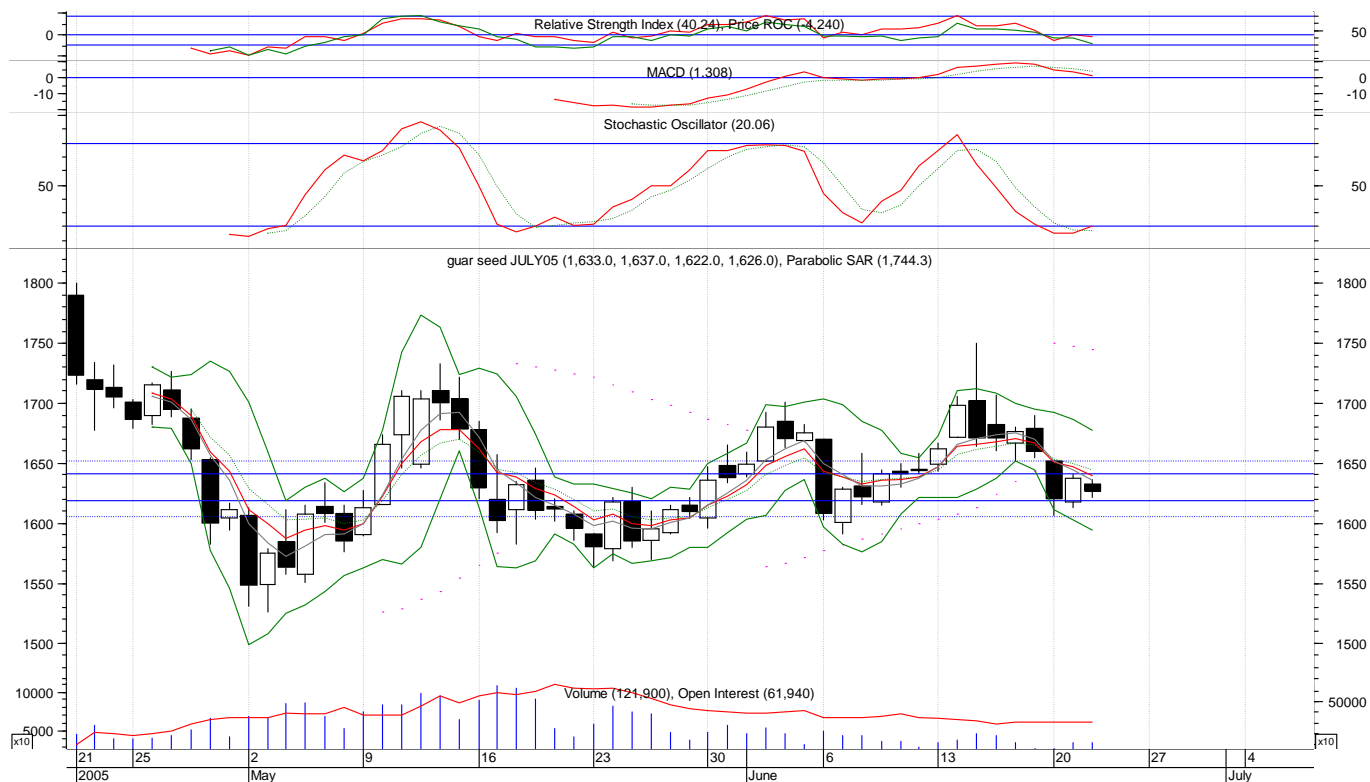
As Jodhpur witnessed rains last night and some other parts of Rajasthan also witnessed slight rainfall yesterday, all the contracts guar seed witnessed range bound downward trade and finished lower. Guar seed is expected to open weaker and trade range bound marginally upward tomorrow.

### Market outlook:

- Prices are expected to open weaker and trade range bound slightly upward on Thursday. (If full fledged monsoon strengthens in Maharashtra and Kutchh with slight rain showers in Rajasthan tonight also, prices may fall down slightly).
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1619	1606	1641	1652
August	1641	1630	1666	1676



Commodity: **Guar Gum**  
Perspective: **Very Short Term**

### NCDEX July Contract

#### Candlestick:

Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Thursday.

#### Stochastic:

The stochastic is moving upward, both %K line has crossed %D line below the oversold line, expecting technical correction towards higher side.

#### MACD:

The MACD (5-day) is moving downward after crossing EMA from above, indicating that prices may slip further.

#### Alignment pattern:

The alignment pattern of moving averages is indicating towards downward moves in prices.

Guar gum July contract traded range bound and finished lower than previous close. August and September contracts

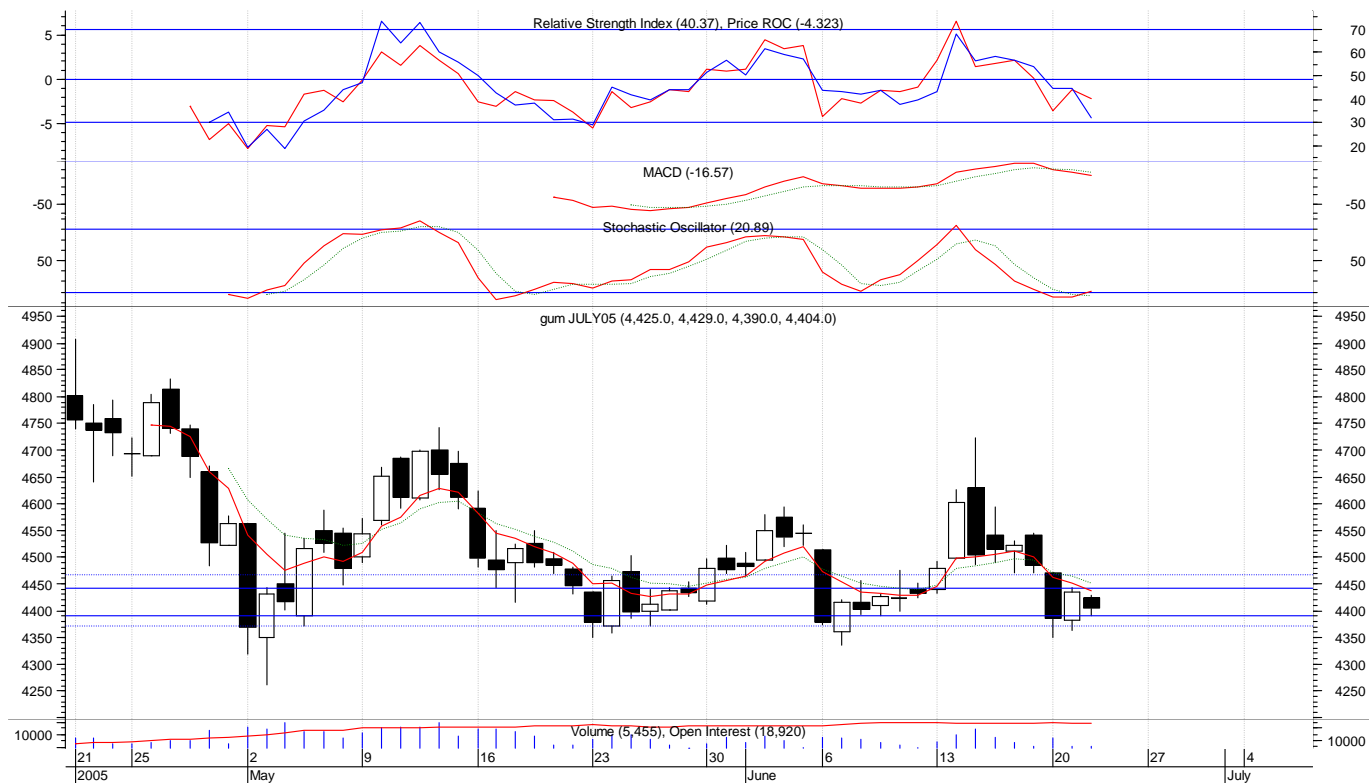
also traded similarly. Guar gum is expected to open weaker and trade marginally up.

### Market outlook:

- Prices are expected to open weaker and trade range bound slightly upward on Thursday. (Keep on tracking the monsoon news and take the steps accordingly. If full fledged monsoon strengthens in Maharashtra and Kutchh, and if tonight Rajasthan witnesses showers like yesterday night, prices may fall down slightly).
- Trade with very short-term outlook.

### Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4390	4372	4442	4467
August	4471	4449	4532	4551



### EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
European Union	Euro	53.01
United Kingdom	GBP	79.58
Japan	100 Yen	40.11

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