

## GUAR SEED and GUAR GUM

June 11, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded almost steady
- Guar vayda traded range bound

### MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded range bound during whole day and finished almost at similar ground as it was on previous day. Very small movement was witnessed in all the contracts. Buying support was absent in physical markets and guar seed physical markets also traded steady today. In Jodhpur market, Bikaner line 98% whitish guar seed was available at Rs.1660-70 per quintal today evening. Nagaur-Merta line was quoted at around Rs. 1630-35 per quintal.

In Bikaner it was dusty and cloudy weather along with high temperature and isolated showers is expected over there. Guar seed was sold at Rs.1560 per quintal in Bikaner market and at Rs.1470 per quintal in Nokha market.

Other markets also witnessed steady trade and poor arrivals.

After witnessing range bound trade for whole day, guar gum vayda ended the day at almost same level as it was yesterday. Guar gum physical markets improved slightly and today, guar gum in Jodhpur market was sold at Rs.4325 per quintal during evening.

Market is waiting for any confirm news regarding weather and no clear cut indications are coming from meteorological departments regarding strength of monsoon. But one thing is clear that monsoon is not progressing in normal way and also whatever is the progress, its strength is weak till now. The coming week is very crucial. If monsoon is really weaker then upward movement of prices are certain. The whole picture will be clear within few days. The next week most probably, will be deciding week as for as market movement is concerned.

### Salient points of the day

- Cloudy weather in Bikaner where as dusty weather in Jodhpur, Ganganagar and other places
- Range bound trade during day but closed at same ground (physical as well as vayda).
- Weather report: 54% deficit rainfall during 1st week of June.
- Weaker physical transactions in markets.
- Dust storm in major guar growing areas.

- Market is still not taking any big step and waiting for any news regarding weather to move upon.

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

Commodity	Centres	10.06.05	11.06.05	Change
Guar seed:	Bikaner	1570	1560	-10
	Jodhpur-B line	1655	1660	+5
	Jodhpur-M line	1630	1635	+5
	Nokha	1430-60	1470	+10
	Alwar	1400	1400	0
	Khairthal	1375	1375	0
	Ganganagar	1535-50	1550	0
Guar Gum:		4300	4325	+25

### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	316.3	318.1	316.2	-0.1

### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened firm, traded range bound throughout the day and finished at almost same level. July vayda opened at 318.1, witnessed range bound lower trade and closed at 316.2, i.e., down by Rs.0.5 per quintal.

### WEATHER WATCH

#### Forecast for next 24 hours

Isolated rain/thundershowers likely over Jammu & Kashmir. Mainly dry weather in the rest region.

Rain/thundershowers with isolated squall likely at a few places in the NorthEastern states, Sub-Himalayan West Bengal & Sikkim and isolated over Gangetic West Bengal and coastal Orissa. Mainly dry weather is likely in the rest region.

Rain/thundershowers likely at many places over Andaman & Nicobar islands, at a few places over Lakshadweep,

coastal & South interior Karnataka, Kerala and isolated in the rest region.

Rain/thundershowers likely at a few places over Konkan & Goa and South Madhya Maharashtra and isolated over north Madhya Maharashtra and Marathawada.

#### Warning

Isolated heavy rainfall likely over Andaman & Nicobar islands

#### (Forecast for the period June 9-14, 2005)

##### A. Weather Systems:

##### Outlook:

Current rainfall activity over coastal Karnataka Kerala, Lakshadweep and Andaman & Nicobar islands is likely to continue (for next 24 hours).

##### Southwest Monsoon

The southwest monsoon has further advanced over some more parts of east central Arabian sea, union territory of Goa, remaining parts of Coastal Karnataka, most parts of South Interior Karnataka, remaining parts of Tamil Nadu, parts of Rayalaseema and southern parts of Coastal Andhra Pradesh, remaining parts of southwest Bay and some more parts of central Bay.

The trough at sea level now runs from Punjab to Assam across central Uttar Pradesh and south Bihar.

Conditions are favourable for further progress of Southwest monsoon over some more parts of Interior Karnataka, Rayalaseema, parts of South Coastal Andhra Pradesh and southern parts of North-eastern states during next 3-4 days.

Monsoonal activity may enhance over Bay of Bengal and southeast parts of North-Eastern states during 11-13 June 2005.

##### Western Disturbance

A western disturbance is likely to approach north Pakistan and adjoining J&K area by 11 June 2005. It is expected to cause isolated to scattered snowfall/rainfall during 11-12 June 2005 over hilly regions of NW India and isolated thundershowers over adjoining plains of NW India (Punjab, Haryana, Delhi and west U.P.) during the period.

##### B. Rainfall:

Fairly widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, Lakshadweep, Andaman & Nicobar and NE States during next 3-4 days.

Isolated to Scattered rainfall/snowfall is likely over J&K, H.P. and Uttranchal during 11-12 June 2005.

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamilnadu, North Interior Karnataka during next 4-5 days and isolated thundershowers may occur over plains of NW India (North Rajasthan, Haryana, Punjab, West U.P.) during 10-12 June 2005.

##### C. Temperature

Parts of plains of northwest and central India are likely to experience rise in day temperature by about 1-2 degree during next 2 days.

#### TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**

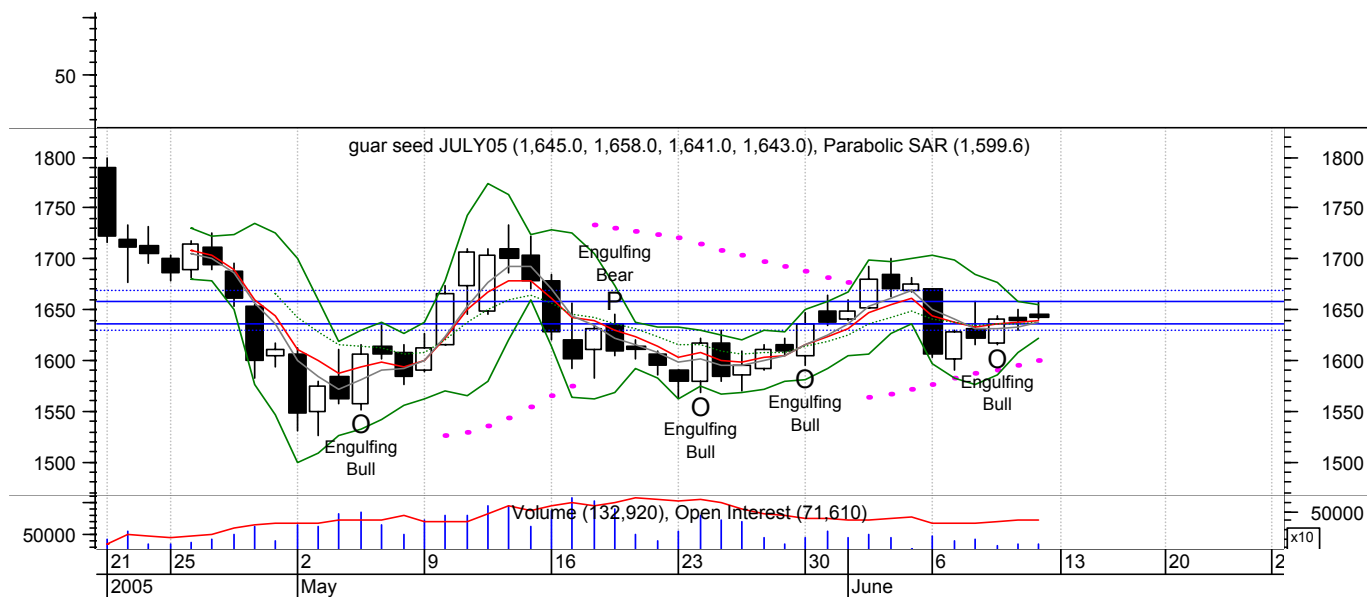
NCDEX June Contract

##### Candlestick:

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

##### Stochastic:

The stochastic is lying in neutral region; %K line is above the %D line, indicating that prices may go up slightly.



**MACD:**

The MACD (5-day) has crossed zero line and indicating that prices may remain still firm.

**Alignment pattern:**

The alignment pattern of moving averages is clearly hinting towards strength in the market tomorrow.

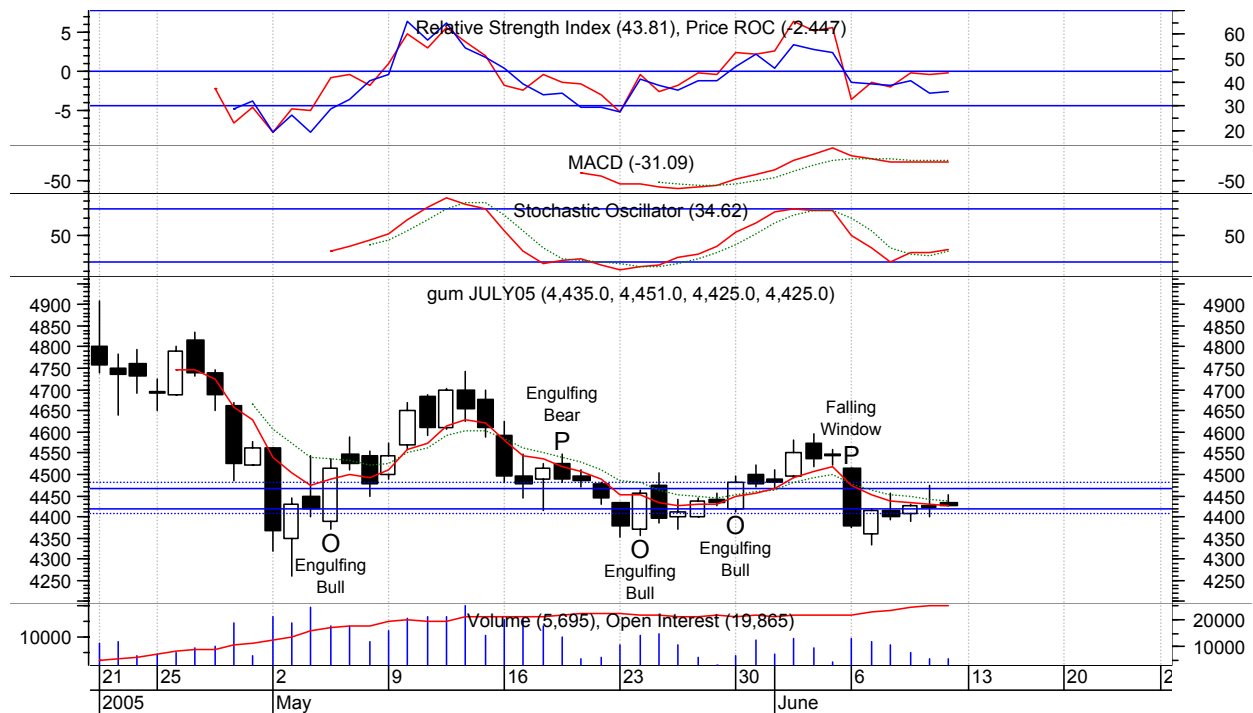
July contract of guar seed witnessed range bound trade but finished at almost yesterday's level. June and August contracts followed the same. Guar seed is expected to open weak and trade range bound upward tomorrow.

**Market advice:**

- Prices are expected to open weaker/steady and trade range bound marginally upward on Monday.
- Trade with very short-term outlook.

**Support and Resistance level for Guar Seed :**

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1620	1615	1640	1650
July	1636	1630	1658	1669
August	1651	1643	1672	1683

**Commodity: Guar Gum****Perspective: Very Short Term****Support and Resistance level for Guar Gum:**

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4342	4328	4379	4392
July	4420	4409	4466	4483
August	4491	4479	4548	4571

**NCDEX June Contract****Candlestick:**

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

**Stochastic:**

The stochastic moving upward and %K line is lying above %D line, hinting towards higher price movement on Monday.

**MACD:**

The MACD (5-day) is moving upward and about to touch its EMA from below, now slightly indicating that prices could go up slightly.

**Alignment pattern:**

The alignment pattern of moving averages is still pointing towards weakness in the market prices on next day.

Guar gum July contract finished almost at same ground after range bound movements throughout the day. June and August contracts also traded in similar way. Guar gum is expected to open weaker and trade range bound upward tomorrow.

**Market advice:**

- Prices are expected to open weaker/steady and trade slightly upward with range bound moves on Monday.
- Trade with very short-term outlook.

**EXCHANGE RATE:**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	53.21
United Kingdom	GBP	79.26
Japan	100 Yen	40.53

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