



# Trade Research Report

## Guar Seed and Guar Gum

### MARKET TRENDS, HIGHLIGHTS AND RECOMMENDATIONS

**Periodicity: DAILY**

**Date: JUNE 01, 2005**

#### TRADE HIGHLIGHTS

**Guar seed and gum slipped today**

**Guar vayda settled marginally up**

#### **MARKET COMMENTARY OF MAJOR MARKETS**

Guar seed futures opened firm today at NCDEX and started moving upward. It traded range bound thereafter, in a narrow range during day and ended at slightly firm ground. Very little movement was observed today in June contract at NCDEX. Everyone, in physical markets as well as futures is waiting for Monsoon arrival and amid this, trades are witnessing lesser movements. Physical market did not witness any big movement and today in Jodhpur market the price of guar was around Rs.1570 per quintal during evening. Nagaur-Merta line was quoted around Rs.1650 per quintal over there.

Guar seed in Bikaner market witnessed almost steady trade and the physical transactions were very poor. Guar seed over there fetched a price of Rs.1565 per quintal during evening today. Other physical markets also traded steady. In Nokha market, guar seed was sold at Rs.1475 per quintal where as it quoted at Rs.1405, Rs.1420 and Rs.1475 per quintal in Khairthal, Alwar and Nokha markets.

In Ganganagar and Hanumangarh etc. *Guari* (sowing of guar seed) has been started and is going well.

At the end of the day, guar gum futures at NCDEX settled at marginally higher ground after it opened firm and moved upward during initial hour of trade. Guar gum in physical markets slipped slightly down and in Jodhpur market, it was available at Rs.4300-25 per quintal. Guar Churi and guar Korma are low in demand nowadays and today they were priced at Rs.460 and Rs.515 per 75 kg respectively.

#### **Salient points of the day**

- Almost steady trade range in guar seed physical markets
- Spot prices are being influenced by future prices
- Weaker buying support in guar gum in physical markets
- Almost negligible arrival of guar seed in guar markets
- Onset of Monsoon is expected during 4-6<sup>th</sup> June, 2005 (IMD forecast).

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

	Markets	31.05.05	01.06.05	Change
<b>Guar seed:</b>				
	Bikaner	1565	1560-65	0
	Jodhpur-B line	1675	1670	-5
	Jodhpur-M line	1650-55	1650	-5
	Nokha	1475	1475	0
	Alwar	1425	1420	+5
	Khairthal	1400	1405	+5
	Ganganagar	1570(150)	1570	0
<b>Guar Gum:</b>		4350	4300-25	-25

### Bikaner Guar Vayda

Guar Prices at Bikaner Vayda (June 01)

Contract	Prev. Close	Open	Close	Change
July	313.1	316.1	314.2	+1.1

### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened firm, moved upward initially and traded range bound thereafter and finally settled down marginally up. July vayda opened at 316.1 today and closed at 314.2, up by Rs.5.5 per quintal from previous close.

## Weather watch (Forecast for 31-May-05 to 04-June-05)

### Monsoon Outlook:

- Southwest monsoon has advanced over the Andman Sea and some more parts of southeast Bay of Bengal and southwest Bay of Bengal.
- Rainfall activity over Kerala may continue during next 4-5 days. Conditions are likely to become favorable for onset of monsoon over Kerala during 4-6 June,2005.

### Weather Systems:

- A western disturbance lies over Jammu & Kashmir & adjoining area. It is likely to move away in an eastward direction. Under its influence, the hilly region of NW India may experience intermittent isolated to scattered snowfall/rains during next 2 days and plains of NW and north India are likely to experience partly cloudy sky condition with mainly dry weather.
- A north-south oriented trough in the lower level runs from east M.P. to interior Karnataka .It is likely to persist during next 2-3 days.

- A northeast-southwest shear zone in mid troposphere with embedded cyclonic circulation over west central Bay of Bengal and southeast Arabian Sea is likely to persist during 3-4 days.
- Another upper air cyclonic circulation lies over Assam and adjoining area. It is likely to provide rainfall over NE States during next 3-4 days.

**Rainfall:**

- Isolated to scattered snowfall/rain are likely over hilly regions of NW India during next 24 hours.
- Isolated to scattered rains/thundershowers are likely over East Uttar Pradesh during 24 hours, East M.P., Chattisgarh, Orissa Vidarbha , Telangana, Rayalseema, and North Interior Karnataka during next 2-3 days and , West Bengal and NE states during next 4 days.
- Scattered to fairly widespread rainfall is likely over Kerala, South Interior & Coastal Karnataka. Tamilnadu, coastal Andhra Pradesh, Lakshadeep and Andaman & Nicobar Islands during next 4 days.

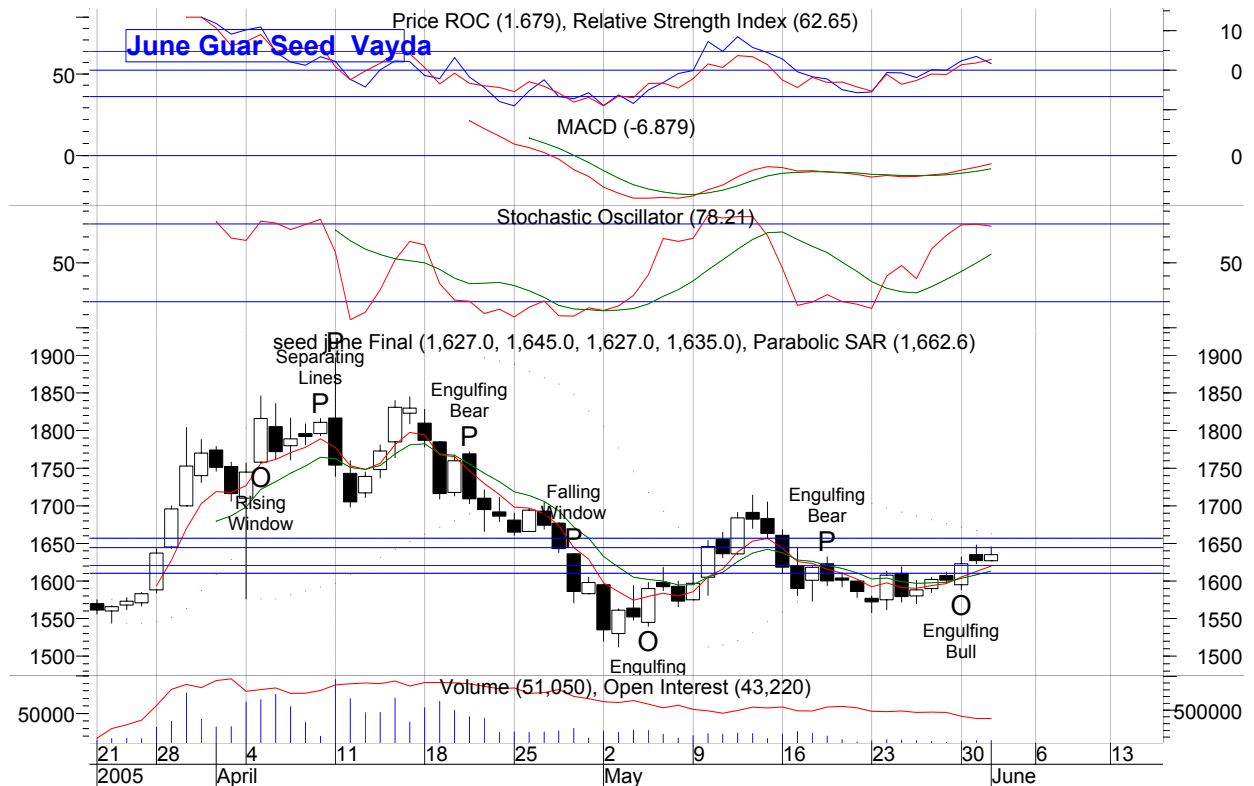
**Temperatures:**

- Day temperature over parts of plains of NW India is likely to fall by about 2 degree C during next 2 days and heat wave condition over southeast U.P., Bihar is likely to abate.

## Technical Analysis

**Date: 01 May, 2005**

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



### NCDEX June Contract

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

**Stochastic:** The **stochastic** is moving downward in guar seed, %K line has changed its curvature towards downward, pointing towards weaker prices next day.

**MACD:** The **MACD (5-day)** is moving upward and lying above its EMA but still below zero line, hinting towards slight strength in the market.

**Alignment pattern:** The alignment pattern of moving averages is indicating firmness in the market.

June contract of guar seed witnessed range bound trade after a firm opening and upward trade during morning and finally it settled at higher ground at the end. July and August contracts also followed similar path. **Guar seed is expected to open steady and trade range bound marginally downward tomorrow.**

### Market advice:

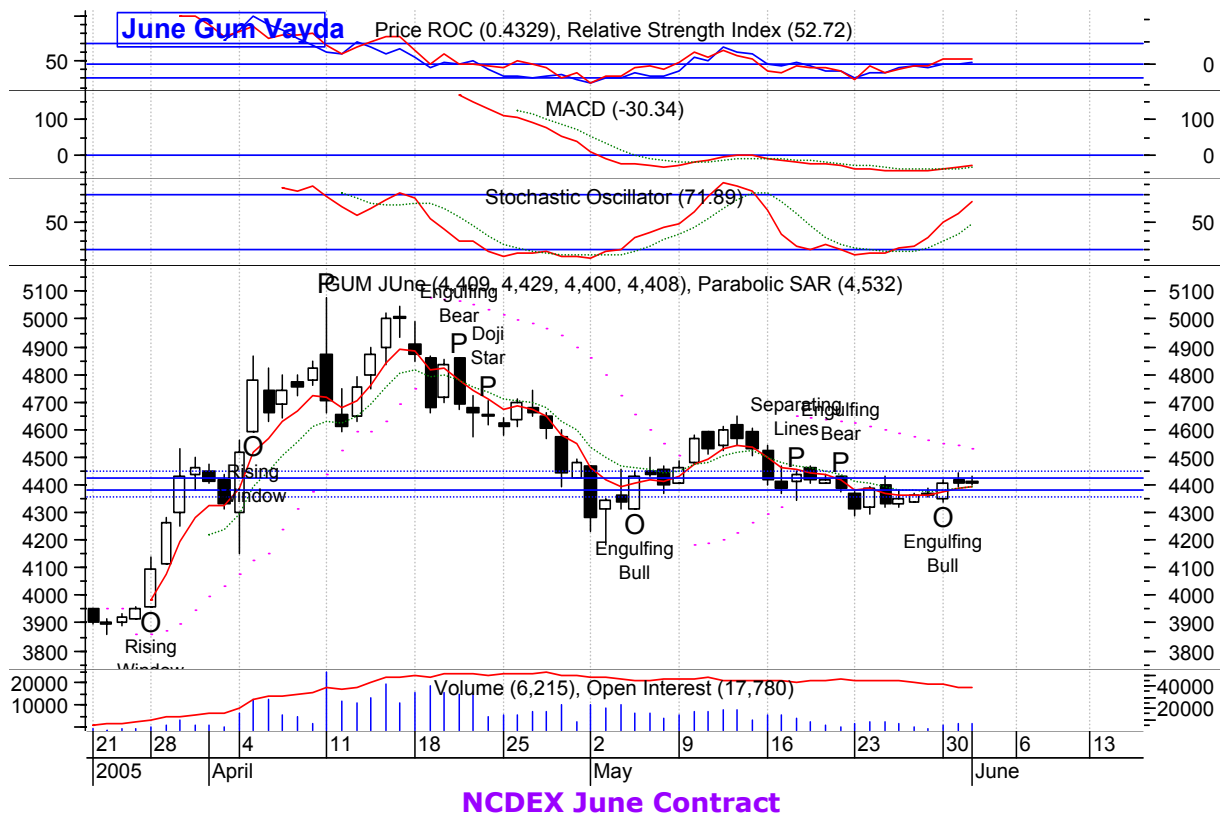
- Prices are expected to open steady/weak and trade range bound marginally downward on Thursday.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contracts	Support		Resistance	
	1st	2nd	1st	2nd
June	1621	1610	1644	1657
July	1634	1622	1659	1671

### Commodity: Guar Gum

### Perspective: Very Short Term



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

**Stochastic:** The **stochastic** is moving upward in neutral region, %-K line is lying above %-D line, pointing towards marginal firmness tomorrow.

**MACD:** The **MACD (5-day)** is moving upward and lying above its EMA, hinting towards marginal strength in the market next day.

**Alignment pattern:** The alignment pattern of moving averages is indicating firmness in the market tomorrow.

**Guar gum June contract witnessed range bound after a firm opening and settled marginally up at the end. July and August contracts also followed similar path. Guar gum are expected to open weaker and trade range bound marginally downward tomorrow.**

**Market advice:**

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

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

Contracts	Support		Resistance	
	1st	2nd	1st	2nd
June	4380	4354	4422	4451
July	4452	4432	4499	4524

**EXCHANGE RATE:**

Currency	Previous day	Today
US \$	43.69	43.72
Euro	54.13	53.93
British £	79.30	79.61
100 Yen	40.34	40.37

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