

## GUAR SEED and GUAR GUM

June 25, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda settled much lower

### MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded completely speculative in range bound throughout the day and closed at much lower ground. It is trading speculative amid the monsoon. Today, it was news about rains in Kutch region which pushed the prices down. Physical markets of guar seed also followed the vayda and slipped down. In Jodhpur market, after marginal weaker moves, Bikaner line 98% whitish guar seed was available at Rs.1600 per quintal. Nagaur-Merta line was available at around Rs.1580 per quintal in the same market. Guar seed slipped marginally in Bikaner market also and it was sold at Rs.1490-1500 per quintal. Other markets of guar seed also witnessed slightly weaker prices today.

Guar gum future at NCDEX traded range bound downward almost throughout the day. It was purely speculative trade witnessed at NCDEX. Physical markets could not resist the futures and slipped down though not upto that extent. In Jodhpur market, guar gum was available at Rs.4225 per quintal, marginally down from previous day price level. By-products of guar gum processing, i.e. guar Churi and guar Korma are in low demand now days and were sold at Rs.380 and Rs.440 per 75 kg, respectively.

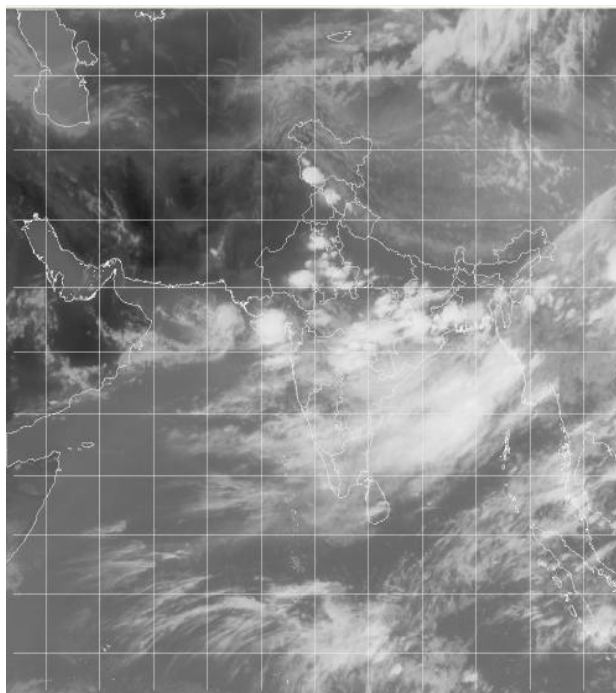
The Southwest Monsoon has advanced over the remaining parts of Maharashtra, Karnataka, Andhra Pradesh, Orissa, Bihar and Jharkhand, entire Chhatisgarh, some more parts of east Uttar Pradesh, Saurashtra & Kutch, Gujarat regions and Southern parts of Madhya Pradesh but still it is advancing as weak current. IMD is expecting favourable conditions for further advancement of monsoon upto South-east Rajasthan during next 4 days and also favourable conditions are expected to build up for further advancement of monsoon over parts of Himachal Pradesh and Haryana and Delhi after 28 June. And if this happens smoothly, and good amount of rainfall is witnessed in these regions, prices may slip further otherwise on Monday, slight upward movement in guar prices are expected.

### Salient points of the day

- Clear weather in almost all the guar growing regions.
- Monsoon has further advanced in more parts of the country.
- Range bound downward trade in guar futures throughout the day amid monsoon sentiments.

- Cash markets slipped marginally following futures.

Satellite Image Showing Monsoon Cloud Cover Over Indian Sea at 5:30PM  
(Source:IMD)



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

CommodityCentres	25.06.05	26.06.05	Change
Guar seed: Bikaner	1520	1490-1500	-20
Jodhpur-B line	1615	1600	-15
Jodhpur-M line	1590	1580	-10
Nokha	1430	1400	-30
Alwar	1365	1650-55	-10
Khairthal	1365	1350	-15
Ganganagar	1515	1490	-25
Guar Gum:	4250	4225	-25

## Bikaner Guar *Vayda*

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	310.6	306.5	305	-5.6

### Price movements at Bikaner Vayda

Bikaner guar seed vayda traded range bound downward during whole day and closed at lower level at the end. July contract of guar seed opened at 306.5, traded downward with range bound movements in the range of 307-303.9 and closed at 305, down by Rs.28 per quintal from previous close.

## WEATHER WATCH

### Forecast for next 24 hours

North : rain/thundershowers likely at many places over Uttar Pradesh and at a few places over Uttaranchal, Haryana & Delhi and isolated in the rest region outside Jammu & Kashmir where weather will be mainly dry.

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

South : rain/thundershowers likely at many places over coastal Karnataka and Kerala and at a few places in the rest of the region outside Tamil Nadu & Pondicherry where it may be isolated.

West : rain/thundershowers likely at most places in north Konkan, Saurashtra and Gujarat region at many places over south Konkan & Goa, and at a few places in the rest region outside west Rajasthan where isolated duststorm is likely.

### Warning

Heavy to very heavy rainfall likely at a few places over coastal Orissa, north Konkan & south Gujarat region isolated heavy rainfall also likely over northeastern states sub-Himalayan West Bengal & Sikkim north Bihar, Saurashtra and south Konkan & Goa.

### Outlook for next two days:

Rainfall activity over northeastern and eastern parts of the country and over Konkan & Goa and south Gujarat likely to continue

## (Forecast as on June 24, 2005- for next 5 days)

### Monsoon Today:

The Southwest Monsoon has advanced as a weak current over the remaining parts of Maharashtra, Karnataka, Andhra Pradesh, Orissa, Bihar and Jharkhand, entire Chhatisgarh, some more parts of east Uttar Pradesh, Saurashtra & Kutch, Gujarat regions and Southern parts of Madhya Pradesh. Northern limit of monsoon passes

through Naliya, Ahmedabad, Bhopal, Jabalpur, Varanasi, Bahraich etc.

### Monsoon Outlook for next 5 days:

Conditions are becoming favourable for formation of a low pressure area over North-west Bay of Bengal and adjoining area around 27th June 2005.

Conditions are favourable for further advancement of monsoon over parts of west Uttar Pradesh, Uttaranchal, some more parts of West Madhya Pradesh, Gujarat region, Saurashtra and Kutch, and parts of South-east Rajasthan during next 4 days.

With the strengthening monsoon circulation, favourable condition may build up for further advancement of monsoon over parts of Himachal Pradesh and Haryana (including Delhi) after 28th June.

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

Scattered rainfall is likely over West UP and Uttaranchal and isolated over rest parts of the region during next 4 days.

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

Northeastern States and West Bengal are likely to receive fairly widespread to widespread rains/ thundershowers with isolated heavy to very heavy rains during next 5 days.

Rainfall activity over Orissa, Bihar and Jharkhand may enhance during next 5 days.

East U.P. is likely to witness fairly widespread rainfall during next 3 days.

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

Vidarbha and Chattisgarh are likely to receive scattered rainfall during next 3 days.

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

Fairly widespread rainfall is likely over Andaman & Nicobar Islands, Coastal Karnataka and Coastal A.P, Scattered in Lakshadweep, Kerala, South Interior Karnataka, and isolated over north-interior Karnataka, Tamilnadu, Telangana and Rayalseema during next 3 days.

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

Widespread rainfall with isolated heavy to very heavy rainfall is likely over Konkan & Goa, Scattered to fairly wide spread over Madhya Maharashtra, Marathawada, South Gujarat region, south Saurashtra & Kutch during next 3-4 days.

Rajasthan is likely to experience mainly dry weather along with heat wave conditions during next 3-4 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 on Monday.

### Stochastic:

The stochastic is moving in oversold region. %K line has crossed %D line from above, and expecting the trade towards lower side but technical correction is still awaited.

### MACD:

The MACD (5-day) is moving steeply downward below zero line and lying below its EMA, indicating that prices may further go downward.

### Alignment pattern:

The alignment pattern of moving averages is clearly hinting for weaker prices on Monday.

Guar seed started trading upward initially but moved down and traded range bound downward almost through out the



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 Monday.

### Stochastic:

The stochastic is moving downward, both %K line and %D have reached in oversold region once again, and %K line

day and settled much lower. It is expected to open steady and trade range bound on Monday with total dependence on monsoon/rains.

### Market outlook:

- Prices are expected to open weaker/steady and trade range bound on Monday. Though it is expected to witness slight upward trade on Monday but rains in Rajasthan or surrounding areas like Delhi, Haryana or Northern Gujarat may put negative impact on prices. (Keep an eye on Monsoon news and Rains).
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1549	1531	1575	1589
August	1572	1557	1595	1605

is lying below %D line, expecting trade towards weaker side on next trading day.

### MACD:

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

### Alignment pattern:

The alignment pattern of moving averages is confirming the downward moves in prices.

Guar gum July contract traded range bound downward during almost whole day and settled lower. August and September contracts also followed the same. Guar gum is

expected to open steady and trade in range bound next day.

- Trade with very short-term outlook.

### Market outlook:

- Prices are expected to open steady and trade range bound on Monday. Though it is expected to witness slight upward trade on Monday but rains in Rajasthan or surrounding areas like Delhi, Haryana or Northern Gujarat may put negative impact on prices. (Keep on tracking the monsoon news and take the steps accordingly).

### Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4244	4203	4309	4330
August	4322	4290	4389	4410



### EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
European Union	Euro	52.70
United Kingdom	GBP	79.47
Japan	100 Yen	39.97

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