

## GUAR SEED and GUAR GUM

June 29, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda slipped further

### MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX opened lower and traded steep downward initially but recovered slightly and traded range bound thereafter. Following the futures, physical markets also traded downward and witnessed lower ground. In Jodhpur market, Bikaner line 98% whitish guar seed traded downward and was sold at Rs.1490 per quintal today. Nagaur-Merta line was available at around Rs.1470 per quintal over there. Guar seed slipped in Bikaner market also and was available at around Rs.1410 per quintal. Other markets like Ganganagar, Alwar, Khairthal etc. also followed the same trend and witnessed weaker prices of guar seed over there.

Guar gum futures showed a downward movement at NCDEX today and settled lower. Guar gum in cash markets followed it and slipped down. In Jodhpur market, guar gum settled at Rs.3875 per quintal during evening trades today. By-products of guar gum processing, i.e. guar Churi and guar Korma traded steady and were sold at Rs.365 and Rs.430 per 75 kg, respectively.

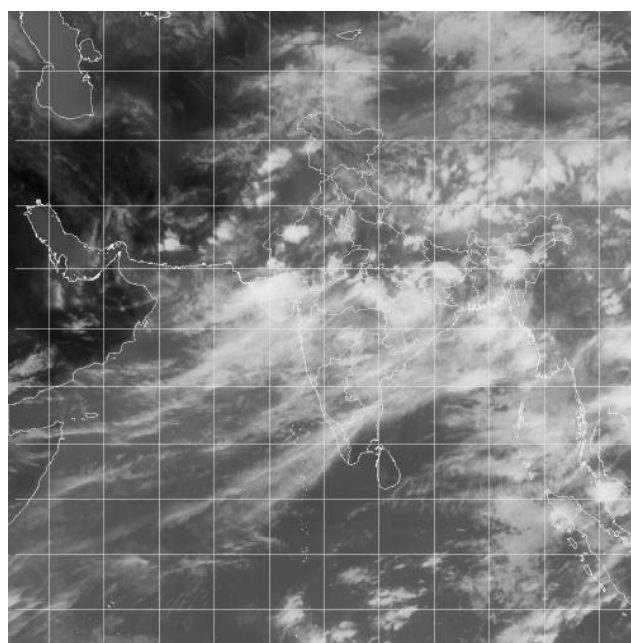
It was good rains in many parts of Haryana and Rajasthan since yesterday. Cloudy weather was also observed in Jodhpur and Bikaner. If Jodhpur witnessed very light showers last night, Bikaner felt light drizzle today afternoon. Bhiwani, Hissar and neighbouring areas of Haryana and Ganganagar etc. of Rajasthan witnessed good rainfall last night. Northern limit of southwest monsoon is now possessing from Jodhpur, Bikaner, Ganganagar line and good rains are expected in these areas during next 1-2 days. And guar prices which are totally being governed by monsoon rains, may further slip if rain is witnessed in these areas.

### Salient points of the day

- Guar seed and gum traded range bound downward and settled lower.
- Partly cloudy weather in Jodhpur and Bikaner.
- Very light showers in Jodhpur last night.
- Light drizzle in Bikaner during afternoon.
- Good rains in Ganganagar etc. of Rajasthan and Bhiwani, Hissar areas of Haryana during last night.

- Northern limit of southwest monsoon is now possessing from Jodhpur, Bikaner, Ganganagar areas.

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



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

CommodityCentres	28.06.05	29.06.05	Change
Guar seed: Bikaner	1425	1410	-15
Jodhpur-B line	1510-15	1490	-25
Jodhpur-M line	1490	1470	-20
Nokha	1345	-	-
Alwar	1300	1275	-25
Khairthal	1300	1275	-25
Ganganagar	1410	1400	-10
Guar Gum:	4000	3875-3900	-100

## Bikaner Guar Vayda

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	291.7	285.9	285.1	-6.6

### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened weak amid rains in few guar growing areas of Rajasthan and Haryana and traded range bound downward. July contract of Bikaner guar vayda opened at 285.9 traded in the range of 287.6-285 and closed at 285.1, down by Rs.33 Per quintal from previous close.

## WEATHER WATCH

### (Medium Term Forecast as on June 27, 2005- for next 5 days)

#### Weather Systems:

Southwest monsoon has advanced over some more parts of Gujarat, entire east Madhya Pradesh and east Uttar Pradesh; most parts of west Madhya Pradesh and Uttranchal and some parts of south east Rajasthan, west Uttar Pradesh and Himachal Pradesh. The northern limit of monsoon passes through Nalia, Ahmedabad, Kota, Gwalior, Bareilly, Dehradun, Sundernagar, 32 deg. N/79 deg. E.

An upper air cyclonic circulation is developing over north Bay of Bengal. The circulation is likely to descend down and concentrate into a low pressure system within next 24 Hrs. With the formation of low pressure system, monsoon activity over Central India is likely to enhance during next 3 days.

Conditions are favourable for further advancement of monsoon over remaining parts of West Uttar Pradesh, Uttranchal, West Madhya Pradesh, Gujarat, Saurashtra and Kutch, and some more parts of east Rajasthan, Himachal Pradesh and parts of Haryana (including Delhi), Punjab and Jammu & Kashmir during next 2-3 days.

A weak western disturbance is likely to approach J&K and adjoining area by during 30 June -1July05. Under the combined influence of this and monsoonal winds, scattered to fairly wide spread rainfall may occur over certain parts of hilly regions of NW India during 30June-1July.

#### Rainfall:

Fairly widespread rainfall is likely over Uttranchal, West Uttar Pradesh during next 24 hours. Scattered rains are also likely over Himachal Pradesh during next 24 hours.

Fairly wide spread to Widespread rains are expected over Konkan & Goa, Vidarbha, East Madhya Pradesh, Chattisgarh, Orissa, West Bengal and Northeastern States during next 3-4 days.

Fairly wide spread rainfall is likely over Andaman & Nicobar Islands, Coastal and North Interior Karnataka, Kerala, North

Coastal Andhra Pradesh, North Telanagana, Lakshadeep during the week.

Scattered to fairly wide spread rainfall is likely over West Madhya Pradesh, Jharkhand and Bihar, Madhya Maharashtra, Marathawada, Gujarat region, Saurashtra & Kutch and East Rajasthan and Haryana during later part of the week.

Isolated to Scattered rainfall is likely over Tamilnadu, Rayalaseema, South Interior Karnataka. Isolated rainfall is likely over west

### Current Weather Situation (29-06-05)

Southwest monsoon has further advanced into entire Arabian sea, the remaining parts of Gujarat, east Rajasthan, Punjab, Haryana, Himachal Pradesh, entire Jammu & Kashmir and parts of west Rajasthan. Northern limit of monsoon passes through lat. 26°N/ long. 70°E, Barmer, Jodhpur, Bikaner, Ganganagar and lat. 31°N/ long. 73°E. Yesterday's depression over Jharkhand and neighbourhood remained practically stationary and continues to lie today morning at 0830 hours I.S.T. close to Jamshedpur. It is likely to move in a west-northwesterly direction. The off shore trough at sea level over east Arabian sea from Gujarat to Konkan coast persists. The upper air cyclonic circulation over north Gujarat and adjoining southwest Rajasthan now lies over Gujarat & neighbourhood and extends between 1.5 and 5.8 km above sea level tilting southwards with height. The upper air cyclonic circulation over Punjab and adjoining central Pakistan persists and extends upto 2.1 km above sea level. The upper air cyclonic circulation over west Uttar Pradesh and neighbourhood now lies over southeast Rajasthan and neighbourhood and extends upto 1.5 km above sea level. The seasonal trough at 0.9 km above sea level runs from centre of above cyclonic circulation to north Bay of Bengal through Haryana, north Madhya Pradesh, Jharkhand and north Orissa.

### Short Term Forecast (for next 24 hours)

**NORTH :** rain/thundershowers likely at many places over Punjab, Haryana, including Chandigarh & Delhi, Himachal Pradesh; at a few places in the rest region.

**EAST :** rain/thundershowers likely at most places in Orissa, Jharkhand, east Madhya Pradesh and Chhattisgarh, at many places over northeastern states, West Bengal & Sikkim and at a few places over the rest region.

**SOUTH :** rain/thundershowers likely at many places over north coastal Andhra Pradesh, Telangana, coastal & north interior 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 over Konkan & Goa, south Gujarat region and Saurashtra, at many places over the region outside west Rajasthan where it may be isolated.

### Outlook for subsequent two days:

Enhanced rainfall activity over central parts of the country is likely to shift westwards to western parts of the country

### Warning

Heavy to very heavy rainfall likely at a few places over Orissa, Jharkhand, east Madhya Pradesh and Chhattisgarh, north Konkan, Saurashtra and south Gujarat region. Isolated heavy rainfall also likely over West Bengal & Sikkim, Himachal Pradesh, north Gujarat, south Konkan & Goa, madhya Maharashtra, Vidarbha, coastal Karnataka and Kerala.

## 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 Thursday.

### Stochastic:

The stochastic is moving in oversold region, %K is lying below the %D line and expecting the trade towards lower side.

### 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 still indicating weaker prices next day.

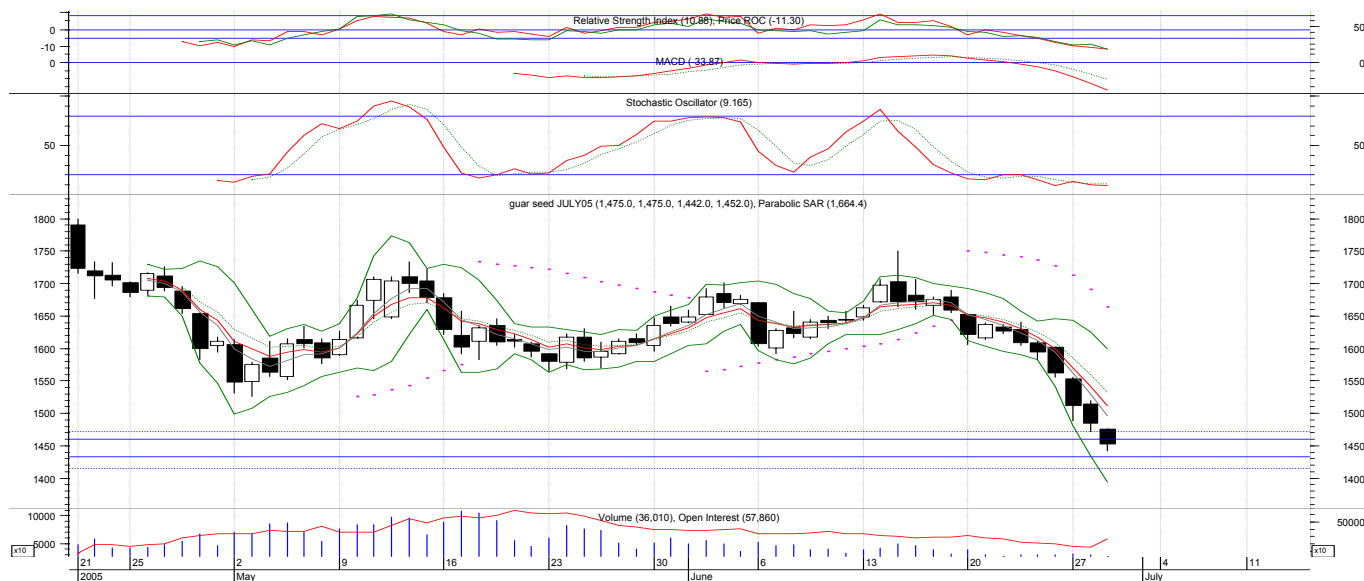
Guar seed traded downward with range bound movements amid sentiments rains in parts of western Rajasthan. It is expected to open weaker/steady and trade range bound with total dependence on monsoon/rains.

### Market outlook:

- As northern limit of monsoon is already touching Jodhpur, Bikaner, Ganganagar etc., Prices are expected to open weaker/steady and move sharply downward if it rains in these areas. On the other hand, if there are no rains tonight or tomorrow morning, prices move marginally up. So it is advisable to 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	1434	1415	1460	1474
August	1445	1425	1477	1490



**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 %K line is moving in over sold region and lying below %D line, expecting marginally weaker trade next day.

### MACD:

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

### Alignment pattern:

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

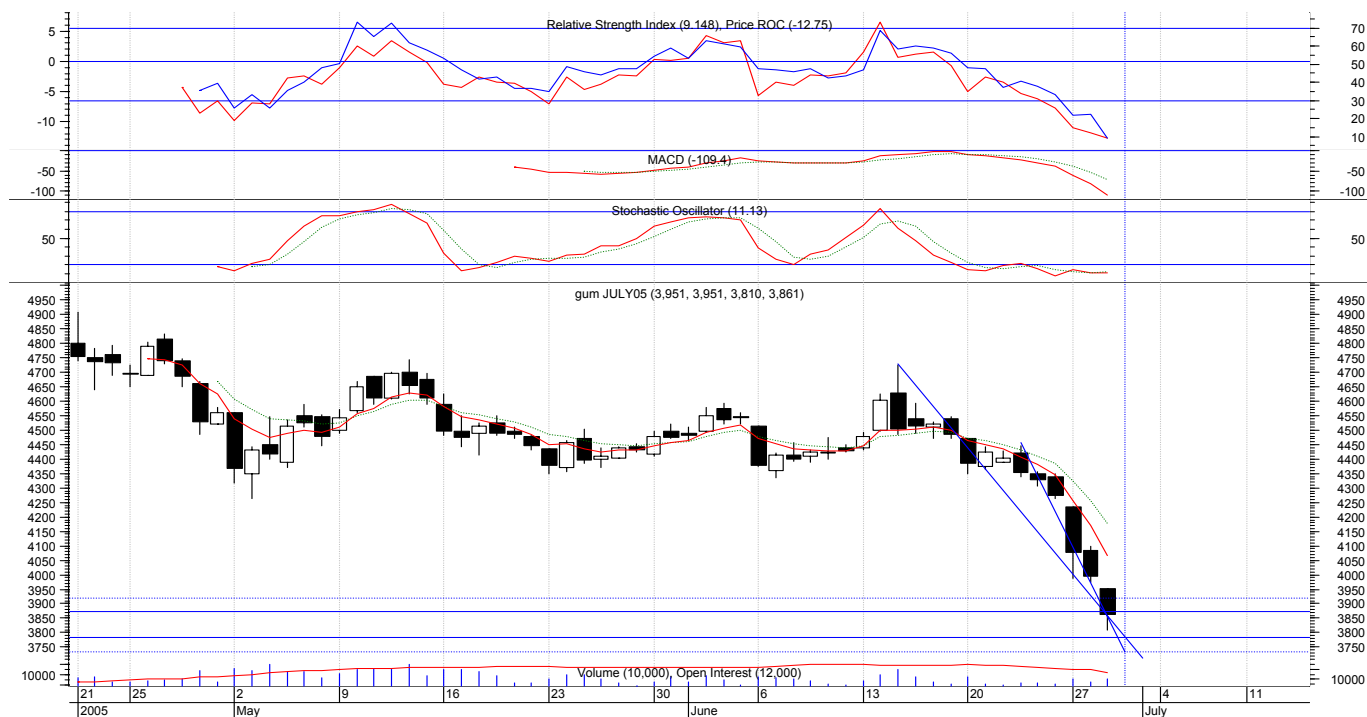
Guar gum July contract traded downward with slight range bound movements and settled lower. August and September contracts also followed the same. Guar gum is expected to open weaker/steady and trade in range bound next day.

## Market outlook:

- Prices are expected to open weaker in case it rains in Jodhpur, Bikaner, Ganganagar etc, and firm otherwise. If guar growing areas of Rajasthan or Haryana witness good rainfall, prices will go down and if there are no rains tonight or tomorrow morning, it will go up marginally. (Keep on tracking the monsoon news and take the steps accordingly).
- Trade with very short-term outlook.

## Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	3783	3734	3874	3919
August	3854	3795	3959	4002



## EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
European Union	Euro	52.44
United Kingdom	GBP	79.03
Japan	100 Yen	39.54

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