

## GUAR SEED and GUAR GUM

June 6, 2005

### MAJOR ACTIVITY HIGHLIGHTS

Guar seed and gum slipped today  
Guar vayda traded steep downward

### MARKET COMMENTARY OF MAJOR MARKETS

Much awaited monsoon has already hit Kerala coast on Sunday and guar seed was bound to fell down on this. It was much expected that if the onset of monsoon will occur well in time (as per predictions from IMD), prices of guar will go down and it exactly happened today when guar seed futures opened very low and started falling down very steeply thereafter.

Guar seed physical markets followed the futures as usual. In Jodhpur market, guar seed slipped by Rs.50 per quintal and today it was available at Rs.1650 per quintal. Nagaur-Merta line was quoted around Rs. 1625 per quintal in Jodhpur today. There was no buying support today in physical markets.

In Bikaner market, guar seed fell down and was available at Rs.1570 per quintal. Nokha market also witnessed downward move today and guar seed was sold at Rs.1470 per quintal with almost negligible arrivals today.

All other physical markets also witnessed downfall in the prices and in Ganganagar, guar seed was available at Rs.1560 per quintal during evening today.

Guar gum futures at NCDEX fell down amidst the panic selling sentiment generated by onset of monsoon, and physical markets followed the same. Guar gum in Jodhpur market has come down by Rs.125 per quintal and it was available at Rs.4250 per quintal over there.

### Salient points of the day

The southwest monsoon has advanced into Kerala and good rainfall was witnessed in the state.

Steep downward trade was witnessed in guar seed and guar gum in futures as well as in physical markets.

Weaker physical arrivals in markets.

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

Commodity	Centres	04.06.05	06.06.05	Change
Guar seed:	Bikaner	1600	1570	-30
	Jodhpur-B line	1690-1700	1650	-50
	Jodhpur-M line	1675	1625	-50
	Nokha	1510	1475	-35
	Alwar	1420	1375	-45
	Khairthal	1410	1365	-45
	Ganganagar	1590	1560	-30
Guar Gum:		4375	4250	-125

## Bikaner Guar Vayda

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	318.6	313.8	311.8	-6.8

### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened low and traded downward with slight range bound movements throughout the day and finally settled much down from previous close. July vayda

opened at 313.8, traded in the range of 314.1-311.7 and closed at 311.8, and closed at 311.8 after witnessing downfall by Rs.34 per quintal.

## Weather watch (Forecast from June 6-June 11, 2005)

### A. Weather Systems:

#### Southwest Monsoon

The South-West Monsoon has advanced into Kerala and some parts of south Arabian Sea and some more parts of SW Bay of Bengal on 5th June, 2005. Model prediction suggests that the monsoon activity is likely to continue over south Peninsular India (Kerala, south interior and coastal Karnataka) and enhance over NE states during next 4-5 days.

An East-west shear zone at the middle troposphere levels runs from central Bay of Bengal to SE Arabian Sea. Model prediction indicates progressive northward march of this zone during next 4-5 days. This may cause progress of monsoon over some more areas of peninsula.

Model predictions suggest that conditions are favourable for progress of Southwest monsoon over some parts of coastal Karnataka, parts of South Interior Karnataka, some more parts of Tamil Nadu, southern parts of North-eastern states during next 3-4 days.

#### Western Disturbance

A western Disturbance lies over J&K and adjoining areas. It is likely to move in a north-eastward direction. Under its influence, hilly regions of NW India are likely to receive

isolated to scattered snowfall/rainfall and plains of NW India may receive isolated dust storm / thundershowers during next 2 days.

Model prediction suggests that another western disturbance is likely to approach north Pakistan and adjoining J&K area by 11th June 2005.

### B. Rainfall:

Fairly widespread to widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, and NE States during next 4-5 days.

Isolated to Scattered rainfall/snowfall is likely over J&K, H.P. and Uttranchal during 24-48 Hrs and then during 11-12 June 2005.

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamil Nadu, Rayalaseema, 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 next 48 Hrs.

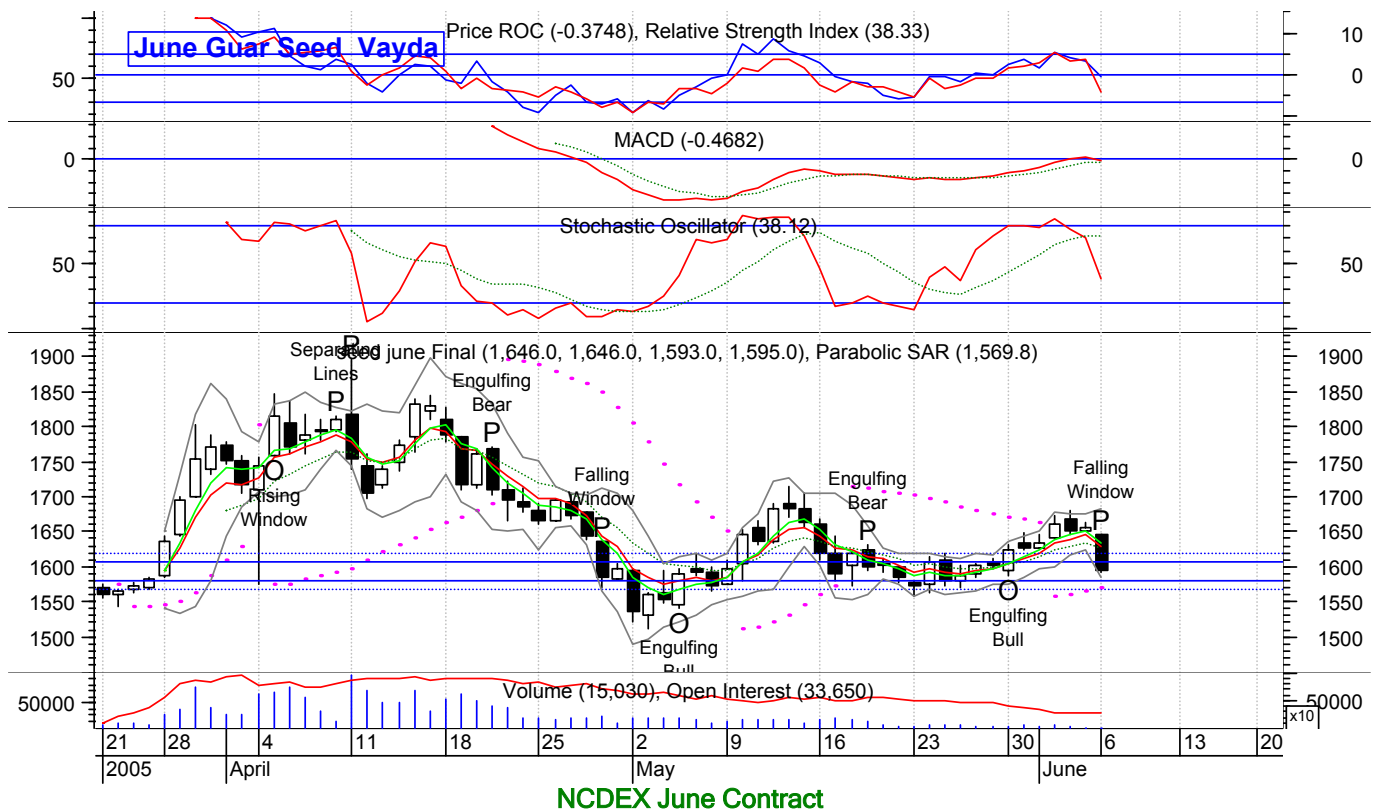
### C. Temperature

Heat Wave conditions over North and central India may improve during next 3 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 Tuesday.

#### Stochastic:

The stochastic is moving downward, %K line is lying in neutral region and moving towards oversold region, hinting that prices may still come down on next day.

#### MACD:

The MACD (5-day) is turning downward, about to touch zero line from above though its EMA is lying below zero line, hinting towards weakness in the market.

#### Alignment pattern:

The alignment pattern of moving averages is indicating weakness in the market prices tomorrow.

June contract of guar seed witnessed downward trade during whole day and finally settled much weaker. July and August contracts traded in the same way. Guar seed is expected to open weaker and trade range bound tomorrow.

#### Market advice:

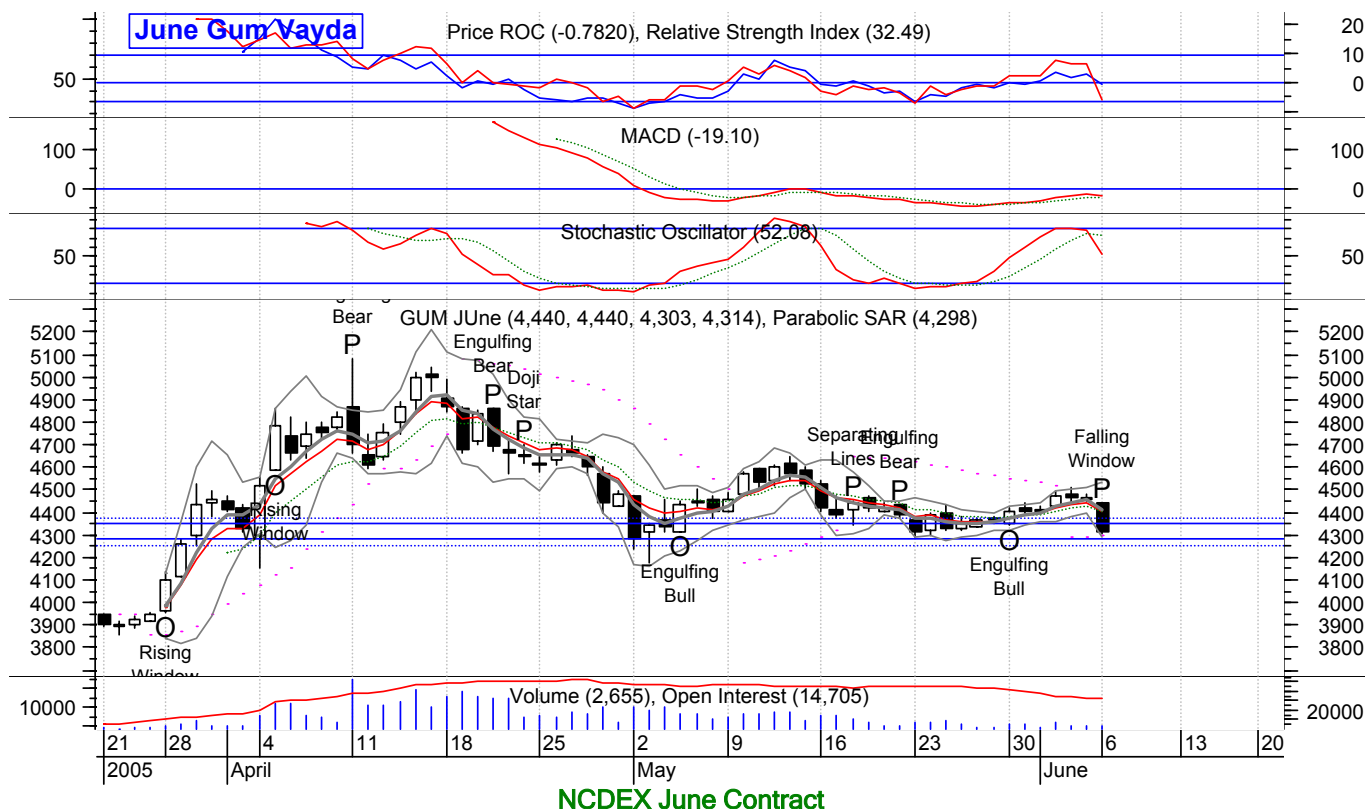
Prices are expected to open weaker and trade range bound marginally downward initially and improve later on Tuesday.

Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1580	1568	1607	1619
July	1590	1579	1623	1632

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



**Candlestick:**

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

**Stochastic:**

The stochastic has come to neutral region and lying below %D line, indicating that prices may remain weak next day also.

**MACD:**

The MACD (5-day) is moving downward and about to touch its EMA from above, indicating that prices may fall further.

**Alignment pattern:**

The alignment pattern of moving averages is clearly indicating weakness in the market prices.

Guar gum June contract witnessed weaker opening and steep downward trade throughout the day. July and August contracts also followed similar path. Guar gum is expected to open weaker and trade range bound tomorrow.

**Market advice:**

Prices are expected to open weaker and trade range bound, initially marginally downward on Tuesday.

Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4281	4250	4355	4371
July	4350	4318	4418	4443

**EXCHANGE RATE:**

Currency	Previous day	Today
US \$	43.55	43.60
Euro	53.18	53.37
British £	79.03	79.16
100 Yen	40.35	40.57

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