

## Guar Seed and Guar Gum

3<sup>rd</sup> June 2005

### MAJOR ACTIVITY HIGHLIGHTS

Guar seed and gum traded slightly downward  
Guar vayda settled at lower ground

### MARKET COMMENTARY OF MAJOR MARKETS

Today morning, guar seed opened firm at NCDEX and started moving up but after initial hours of trade it started falling down and finally settled at lower ground. It was the news that July rains will be 12% below normal which helped in keeping the prices up and on the other hand it was the actual rains in Kerala today afternoon, which changed the sentiments in the market from buying to selling amidst news that monsoon is setting over there. According to sources, it was pre monsoon shower and monsoon is expected to arrive on June 7<sup>th</sup> in Kerala. Once the date of onset of monsoon is confirmed, prices will certainly go down. And if the date is delayed, the prices will soar up.

Physical markets did not witness much change today. In Jodhpur market, guar seed was sold at Rs.1690-1700 per quintal during evening. It was slight buying from one major exporter over there. Nagaur-Merta line was quoted around Rs. 1670-75 per quintal in Jodhpur today.

In Bikaner market, guar seed was available at Rs.1585-95 per quintal. Market arrivals are very poor. Nokha market witnessed steady trade and guar seed was sold at Rs.1520 per quintal with the arrival of around 300 bags today.

It was slight cloudy weather in Ganganagar, and it witnessed vary light drizzle for few minutes today evening. Guar seed was sold at almost same price as yesterday's.

Guar gum futures at NCDEX witnessed upward moves during morning but settled at lower ground after witnessing range bound trade during day. Guar gum in physical markets slipped slightly down and in Jodhpur market, it was available at Rs.4400 per quintal.

### Salient points of the day

Firm opening, upward trade initially and downward later in futures as well as spot markets

Weaker physical arrivals in markets.

Weather news: rains in July- 12% below normal

Weather news: rains in June- 34% below normal

Rainfall in Kerala during afternoon.

Onset of Monsoon is expected on June 7th, 2005 (as earlier).

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

Commodity	Centres	02.06.05	03.06.05	Change
Guar seed:	Bikaner	1605	1595	-10
	Jodhpur-B line	1700-10	1700	-10
	Jodhpur-M line	1680	1675	-5
	Nokha	1520	1520	0
	Alwar	1450	1450	0
	Khairthal	1425-30	1450	+20
	Ganganagar	1600	1590	-10
Guar Gum:		4425	4400	-25

## Bikaner Guar *Vayda*

### Guar Prices at Bikaner Vayda (June 03)

Contract	Prev. Close	Open	Close	Change
July	320	320.5	317.6	-2.4

#### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened up and witnessed range bound trade throughout the day and finally settled slightly down. July vayda opened at 320.5, traded in the range of

320.5-317 and closed at 317.6, down by Rs.12 per quintal from previous close.

#### Weather watch (Forecast for June 2, 2005 to June 06, 2005)

June 2005. Under its influence, the hilly region of NW India may experience isolated to scattered snowfall/rains during the said period.

#### Monsoon Outlook:

Flow pattern further suggests that the conditions may become favourable for onset of monsoon over Kerala only after 4-5 days.

Advancement of monsoon over NE India is expected to be after 6th June 2005. NE India is likely to receive monsoonal rains earlier than Kerala.

#### Rainfall:

Isolated to scattered snowfall/rain are likely over hilly regions of NW India during 6-7 June 2005.

Isolated to scattered rains/thundershowers are likely over Konkan & Goa, Madhya Maharashtra, North Interior Karnataka, coastal Karnataka and coastal A.P. during next 24-48 Hrs. and over Kerala and NE states during next 3-4 days.

#### Weather Systems:

Plains of NW and central India are likely to be mainly dry.

Fairly widespread rainfall is likely over Andaman & Nicobar Islands during next 3-4 days.

A north-south oriented trough in the lower level runs from east M.P. to interior Karnataka continues and it may further persist during next 2 days.

Rest regions of the country are likely to be mainly dry.

A northeast-southwest shear zone in mid troposphere is extending from west central Bay of Bengal to southeast Arabian Sea with one embedded cyclonic circulation over west central Bay of Bengal off Andhra coast and another over southeast & adjoining east-central Arabian Sea. The shear zone is likely to persist during next 4-5 day around its present position.

#### Temperatures:

Day temperature over NW and Central India is likely to rise by about 2 degree C during next 2-3 days.

Heat wave conditions over parts of Bihar, Jharkhand, north coastal Orissa, Vidarbha, Chattisgarh and Sub-Himalayan West Bengal are likely to continue during next 2 days.

A western disturbance is expected to approach north Pakistan and adjoining Jammu & Kashmir area during 6-7

## Technical Analysis

Date: June 3, 2005

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



### Candlestick:

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

### Stochastic:

The stochastic is moving downward, %K line is turning down from overbought region, pointing towards weaker prices next day.

### MACD:

The MACD (5-day) is moving upward and lying above its EMA and approaching to 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 firm opening and range bound trade during day and finally settled at lower ground. July and August contracts also followed similar path. Guar seed is expected to open weaker and trade range bound marginally downward tomorrow.

### Market advice:

Prices are expected to open steady/weak and trade range bound marginally downward on Saturday.

Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1637	1627	1661	1675
July	1658	1647	1680	1692

Date: June 3, 2005

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



#### Candlestick:

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

#### Stochastic:

The stochastic is moving in overbought region and has flattened; %D line is still in neutral region, indicating that technical correction is awaited.

#### 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 still indicating firmness in the market.

Guar gum June contract witnessed range bound downward trade after firm opening and settled down at the end. July and August contracts also followed similar path. Guar gum is 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 Saturday.

Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4439	4415	4489	4517
July	4509	4482	4562	4588

**EXCHANGE RATE:**

Currency	Previous day	Today
US \$	43.76	43.66
Euro	53.50	53.54
British £	79.35	79.33
100 Yen	40.37	40.41

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