

## GUAR SEED and GUAR GUM

June 10, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded almost steady
- Guar vayda traded range bound and settled at same ground

### MARKET COMMENTARY OF MAJOR MARKETS

After a firm opening today morning, guar seed witnessed range bond trade in narrow range throughout the day and finished its journey at almost same level as it was on previous day. Guar physical markets followed the futures and witnessed slight stockists activities also. In Jodhpur market, Bikaner line 98% whitish guar seed traded steady and was available at Rs.1650-55 per quintal today evening. Nagaur-Merta line was quoted at around Rs. 1630 per quintal.

Bikaner and other markets also witnessed minor movement today. Guar seed in Bikaner market was available at Rs.1570 per quintal, marginally up by Rs.10 per quintal. Nokha market witnessed arrival of around 300 bags today and guar seed was sold at Rs.1430-1460 per quintal today.

Guar gum vayda ended the day at same level as it was yesterday though it traded in range bound throughout the day. Guar gum physical markets improved slightly and today, guar gum in Jodhpur market was sold at Rs.4300-4325 per quintal during evening.

### Salient points of the day

- Range bound trade during day but closed at same ground (physical as well as vayda).
- Weather report: 54% deficit rainfall during 1st week of June.
- Various contradicting news and rumors in the market regarding monsoon, its progress and its strength.
- Weaker physical arrivals in markets.
- Slight rainfall in Ganganagar last evening.
- Dust storm in major guar growing areas.
- Market is waiting for any news regarding weather to move upon.

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

Commodity	Centres	09.06.05	10.06.05	Change
Guar seed:	Bikaner	1560	1570	+10
	Jodhpur-B line	1650	1655	+5
	Jodhpur-M line	1625	1630	+5
	Nokha	1460	1430-60	0
	Alwar	1380-90	1400	+10
	Khairthal	1370	1375	+5
	Ganganagar	1535-60	1535-50	-10
Guar Gum:		4275	4300	+25

### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	315.1	314	316.3	+1.2

### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened slightly lower, traded range bound towards higher side during whole day and finished higher. July vayda opened at 314, witnessed slight higher moves and closed at 316.3, i.e., up by Rs.6 per quintal.

### WEATHER WATCH

#### Forecast for next 24 hours

Isolated rain/thundershowers likely over Uttaranchal, Himachal Pradesh and Jammu & Kashmir.

Duststorm/thunderstorm is likely at isolated places in Uttar Pradesh, Punjab and Haryana including Delhi.

Rain/thundershowers with isolated squall likely at many places in the Northeastern states, at a few places in Orissa and Gangetic West Bengal and isolated in the rest region.

Rain/thundershowers likely at many places over Andaman & Nicobar Islands, Lakshadweep, coastal Karnataka, Kerala and South interior Karnataka; at a few places in North interior Karnataka, Andhra Pradesh and Tamil Nadu and isolated in the rest region.

Isolated rain/thundershowers likely over south Maharashtra and Goa. Mainly dry weather in the rest region.

### (Forecast for the period June 9-14, 2005)

#### A. Weather Systems:

##### Outlook:

Current rainfall activity over coastal Karnataka Kerala, Lakshadweep and Andaman & Nicobar islands is likely to continue (for next 24 hours).

##### Southwest Monsoon

The southwest monsoon has further advanced over some more parts of east central Arabian sea, union territory of Goa, remaining parts of Coastal Karnataka, most parts of South Interior Karnataka, remaining parts of Tamil Nadu, parts of Rayalaseema and southern parts of Coastal Andhra Pradesh, remaining parts of southwest Bay and some more parts of central Bay.

The trough at sea level now runs from Punjab to Assam across central Uttar Pradesh and south Bihar.

Conditions are favourable for further progress of Southwest monsoon over some more parts of Interior Karnataka, Rayalaseema, parts of South Coastal Andhra Pradesh and southern parts of North-eastern states during next 3-4 days.

Monsoonal activity may enhance over Bay of Bengal and southeast parts of North-Eastern states during 11-13 June 2005.

##### Western Disturbance

A western disturbance is likely to approach north Pakistan and adjoining J&K area by 11 June 2005. It is expected to

cause isolated to scattered snowfall/rainfall during 11-12 June 2005 over hilly regions of NW India and isolated thundershowers over adjoining plains of NW India (Punjab, Haryana, Delhi and west U.P.) during the period.

#### B. Rainfall:

Fairly widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, Lakshadweep, Andaman & Nicobar and NE States during next 3-4 days.

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

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamilnadu, 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 10-12 June 2005.

#### C. Temperature

Parts of plains of northwest and central India are likely to experience rise in day temperature by about 1-2 degree during next 2 days.

### TECHNICAL ANALYSIS

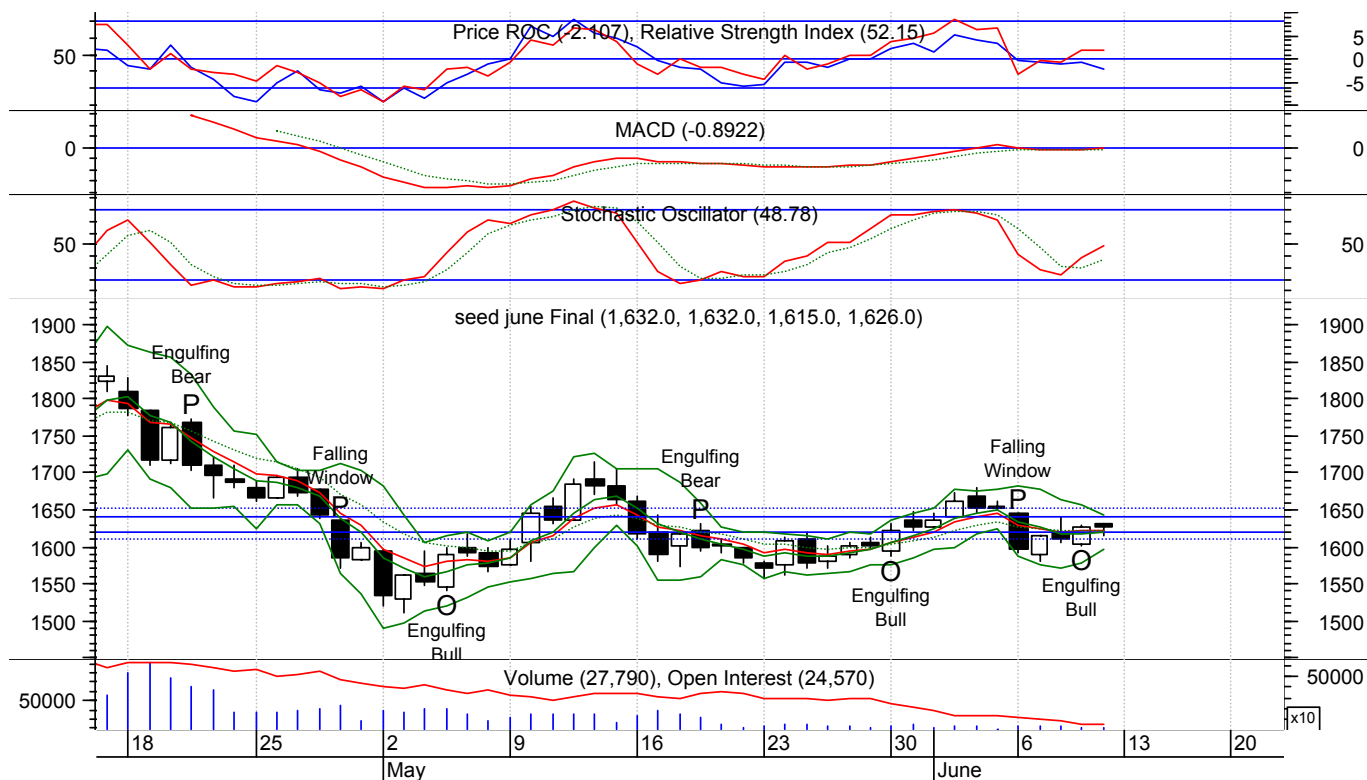
Commodity: **Guar Seed**

Perspective: **Very Short Term**

NCDEX June Contract

#### Candlestick:

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



**Stochastic:**

The stochastic is lying in neutral region; %K line has crossed %D line from below, indicating that prices may remain firm.

**MACD:**

The MACD (5-day) has crossed its EMA from below and now indicating that prices may go marginally toward higher side tomorrow.

**Alignment pattern:**

The alignment pattern of moving averages is clearly hinting towards market strength.

June contract of guar seed witnessed range bound trade but finished at almost same ground at the end. July and August contracts followed the same. Guar seed is expected to open weak and trade range bound upward tomorrow.

**Market advice:**

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

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1619	1611	1641	1652
July	1635	1626	1659	1669

**Commodity: Guar Gum****Perspective: Very Short Term****NCDEX June Contract****Candlestick:**

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

**Stochastic:**

The stochastic moving upward and %K line has crossed %D line from below, hinting that technical correction towards higher side is awaited.

**MACD:**

The MACD (5-day) is moving upward and now slightly indicating that prices could go up.

**Alignment pattern:**

The alignment pattern of moving averages is pointing towards weakness in the market prices.

Guar gum June contract finished marginally at lower ground today after range bound movements throughout the day. July and August contracts also traded in similar way. Guar gum is expected to open weaker and trade range bound upward tomorrow.

**Market advice:**

- Prices are expected to open weaker/steady and trade slightly upward with range bound moves on Saturday.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4331	4313	4370	4390
July	4409	4392	4457	4476

**EXCHANGE RATE:**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	53.21
United Kingdom	GBP	79.26
Japan	100 Yen	40.53

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