

## GUAR SEED and GUAR GUM

June 30, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda settled higher

### MARKET COMMENTARY OF MAJOR MARKETS

After weaker opening and steep downward traded initially, guar seed futures at NCDEX recovered fully and jumped towards higher side steeply during last moments of trade today and settled much higher at the end. Following the futures, physical markets also traded downward initially and upward thereafter. In Jodhpur market, Bikaner line 98% whitish guar seed traded downward during morning and was sold at Rs.1450-60 per quintal but witnessed upward moves later on and was sold at Rs.1490-1500 per quintal during evening. Nagaur-Merta line was available at around Rs.1470 per quintal over there. Bikaner market, which saw the price of guar at Rs.1400 per quintal during morning, improved and was available at Rs.1460 per quintal during evening. In Nokha market, guar seed was sold at Rs.1375 per quintal though no arrival was witnessed. Other markets like Ganganagar, Alwar, Khairthal etc. also followed the same trend and improved slightly from previous day price level.

Guar gum futures at NCDEX today settled much higher at the end though it traded steep downward during morning. Guar gum in physical markets also followed the futures and after trading range bound, it settled much higher. In Jodhpur market, guar gum came down to Rs.3750 per quintal today morning, and was sold at Rs.3925 per quintal at around 5:00PM evening, but after the closing of NCDEX today, near by at around 6:PM, dark clouds were seen and prices again came slightly down to Rs.3850 per quintal.

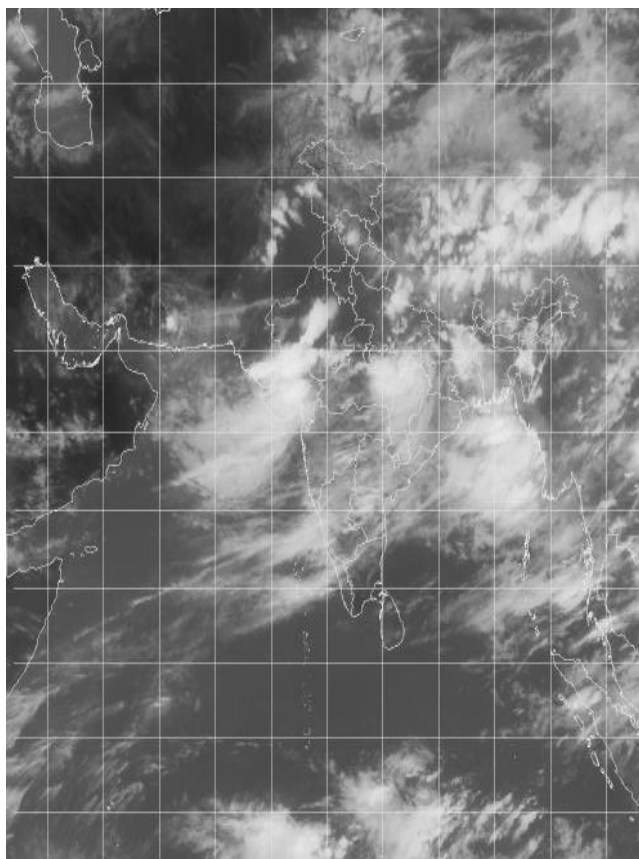
It was the rain yesterday night in Nagaur, Jodhpur, few places in Bikaner etc. which pushed the trade down in the morning but after witnessing the clear sky throughout the day it jumped higher. Though according to IMD, monsoon has covered almost all India, but western parts of Rajasthan did not witness much rain and as the monsoon has already reached over there, rains are still expected during next 1-2 days and if these become good rain, prices may once again slip down.

### Salient points of the day

- Guar seed and gum slipped steeply during morning but recovered thereafter and closed much higher at the end.
- Clear and shiny sky in almost all guar growing areas of Rajasthan but enough dark clouds were noticed in Jodhpur.

- Very light showers in Jodhpur and good rains in some parts of Bikaner last night.
- Northern limit of southwest monsoon has now covered almost all India. According to IMD, 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.

**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

| Commodity Centres  | 29.06.05 | 30.06.05 | Change |
|--------------------|----------|----------|--------|
| Guar seed: Bikaner | 1410     | 1460     | +50    |
| Jodhpur-B line     | 1490     | 1500     | +10    |
| Jodhpur-M line     | 1470     | 1470     | -      |
| Nokha              | -        | 1375     | -      |
| Alwar              | 1275     | 1300     | +25    |
| Khairthal          | 1275     | 1300     | +25    |
| Ganganagar         | 1400     | 1420     | +20    |
| Guar Gum:          | 3875     | 3850     | -25    |

## Bikaner Guar Vayda

### Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open  | Close | Change |
|----------|-------------|-------|-------|--------|
| July     | 285.1       | 285.7 | 292.2 | +7.1   |

### Price movements at Bikaner Vayda

Bikaner guar seed vayda traded downward initially amid rains last night in parts of Rajasthan but crawled up amid almost clear and shiny sky in almost all guar growing areas of Rajasthan throughout the day. July contract of Bikaner guar vayda opened at 285.7 and closed at 292.2, up by Rs.35.5 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 Uttaranchal 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, Uttaranchal, 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 Uttaranchal, 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, Lakshadweep 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 (30-06-05)

### PROGRESS OF MONSOON;

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 till today afternoon (at 1430 hours I.S.T.) close to Jamshedpur. It is likely to move slowly in a west-northwesterly direction. The off shore trough at sea level over east Arabian sea from Gujarat to Konkan coast persists. Yesterday's 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 a.s.l. tilting southwards with height. The upper air cyclonic circulation over West Uttar Pradesh and neighbourhood now lies over southeast Rajasthan and neighbourhood and extends upto 1.5 km a.s.l.. The seasonal trough at 0.9 km a.s.l. runs from centre of above cyclonic circulation to north Bay of Bengal through Haryana, north Madhya Pradesh, Jharkhand and North Orissa. During past 24 hours, Southwest monsoon has been vigorous over Gangetic West Bengal, Orissa Chhattisgarh, Gujarat State and North Interior Karnataka and active over Himachal Pradesh and south Madhya Maharashtra. Rain/Thundershowers occurred at most places over Sub-Himalayan West Bengal & Sikkim, Konkan & Goa, north Madhya Maharashtra and Coastal Karnataka; at many places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Jharkhand, Uttaranchal, Jammu & Kashmir, East Rajasthan, Vidarbha and Kerala; at a few places over Bihar, Uttar Pradesh, Haryana, Punjab, West Rajasthan,

Madhya Pradesh, Telangana and South Interior Karnataka. It was isolated in the rest region of the country outside Lakshadweep where weather was mainly dry.

#### Forecast for Next 24 Hours

**NORTH :** rain/thundershowers likely at many places over Uttaranchal and Himachal Pradesh; at a few places in the rest region.

**EAST :** rain/thundershowers likely at most places in east Madhya Pradesh, Chhattisgarh and Vidarbha ; at many places over the rest region outside Bihar and Gangetic West Bengal where it may be isolated.

**SOUTH :** rain/thundershowers likely at many places over Telangana, coastal & north interior Karnataka and at few places in the rest region outside Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

**West :** rain/thundershowers likely at most places over Konkan & Goa; Gujarat region and Saurashtra; isolated rains at many places over rest region outside west Rajasthan.

#### Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Orissa, Jharkhand, East Madhya Pradesh, Chhattisgarh, north Konkan, Saurashtra & Kutch and south Gujarat Region. Isolated heavy rainfall also likely over northeastern States, 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 firm opening and range bound trade on Friday.

#### Stochastic:

The stochastic is moving in oversold region, %K is lying crossed %D line from below and expecting the technical correction towards higher side.

#### MACD:

The MACD (5-day) is still moving downward below zero line and lying below its EMA, indicating that prices may remain weak tomorrow also.

#### Alignment pattern:

The alignment pattern of moving averages is not confirming upward trade.

Guar seed traded range bound upward and settled higher. It is expected to open firm/steady and trade range bound but still dependent on monsoon/rains.



#### Market outlook:

- Now the guar seed prices are expected to open firm and witness marginal upward movement initially tomorrow, if there is no rain in Jodhpur, Bikaner and surrounding areas. But during late evening after the closing the NCDEX today, dark clouds were observed in Jodhpur, which dragged the prices slightly down in spot market. If these clouds are able to produce good rains tonight, prices may slip again.
- Trade with very short-term outlook.

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

| Contract | Support |      | Resistance |      |
|----------|---------|------|------------|------|
|          | 1st     | 2nd  | 1st        | 2nd  |
| July     | 1472    | 1449 | 1519       | 1537 |
| August   | 1492    | 1460 | 1538       | 1557 |

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

### NCDEX July Contract

#### Candlestick:

Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Friday.

#### Stochastic:

The %K line is moving in over sold region, %K line has crossed the %D line from below, expecting upward trade next day.

#### MACD:

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

#### Alignment pattern:

The alignment pattern of moving averages is not confirming any upward trade tomorrow.

Guar gum July contract traded range bound and settled much higher. August and September contracts also followed the same. Guar gum is expected to open firm and trade in range bound upward next day.

### Market outlook:

- Now the guar gum is expected to take slight technical correction towards higher side so it may open firm and trade range bound upward. But as Jodhpur and Bikaner and extreme western part did not witness good rains still, the rains over there may push the sentiments downward slightly once again. (During late evening after the closing the NCDEX today, dark clouds were observed in Jodhpur, which dragged the prices slightly down in spot market. If these clouds are able to produce good rains tonight, prices may slip again.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Gum:

| Contract | Support |      | Resistance |      |
|----------|---------|------|------------|------|
|          | 1st     | 2nd  | 1st        | 2nd  |
| July     | 3904    | 3834 | 4026       | 4079 |
| August   | 3970    | 3905 | 4108       | 4155 |



### EXCHANGE RATE

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA                | Dollar   | 43.51           |
| European Union     | Euro     | 52.68           |
| United Kingdom     | GBP      | 78.75           |
| Japan              | 100 Yen  | 39.51           |

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