

## GUAR SEED and GUAR GUM

4<sup>th</sup> June 2005

### MAJOR ACTIVITY HIGHLIGHTS

Guar seed and gum traded steady  
Guar vayda settled marginally up

### MARKET COMMENTARY OF MAJOR MARKETS

Guar seed at NCDEX traded range bound and finally settled marginally at higher ground. Physical markets did not witness any significant change. In Jodhpur market, guar seed was sold at Rs.1690-1700 per quintal during evening. Physical arrivals were poor in the market. Nagaur-Merta line was quoted around Rs. 1675 per quintal in Jodhpur today.

In Bikaner market, guar seed traded marginally up and was available at Rs.1600 per quintal. Market arrivals are very poor over there. Nokha market witnessed marginally downward trade and guar seed was sold at Rs.1510 per quintal with the arrival of around 300 bags today.

In other markets like Ganganagar, guar seed was traded steady and was available at almost same price as it was previous day where as in Khairthal and Alwar .

Marginal upward moves was witnessed Guar gum futures at NCDEX which settled almost at similar prices as previous close. Guar gum in physical markets traded steady and in Jodhpur market, it was available at Rs.4400 per quintal.

### Salient points of the day

**Conditions are favourable for onset of Southwest Monsoon over Kerala within next 72 hrs (Forecast from IMD)**

Range bound upward trade during whole day and ended marginally up in futures and traded almost steady in spot markets.

Weaker physical arrivals in markets.

Weather news: rains in July- 12% below normal

Weather news: rains in June- 34% below normal

Onset of Monsoon is expected on June 7<sup>th</sup>, 2005 (as earlier). Every one is waiting for the due date of 7<sup>th</sup> June, if monsoon delay further, prices are bound to go up.

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

Commodity	Centres	03.06.05	04.06.05	Change
Guar seed:	Bikaner	1595	1600	+5
	Jodhpur-B line	1700	1690-1700	0
	Jodhpur-M line	1675	1675	0
	Nokha	1520	1510	-5
	Alwar	1450	1420	-30
	Khairthal	1450	1410	-40
	Ganganagar	1590	1590	0
Guar Gum:		4400	4375-4400	0

## Bikaner Guar Vayda

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	317.6	317.8	318.6	+1

### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened marginally up and traded upward throughout the day and finally settled slightly

higher. July vayda opened at 317.8, traded in the range of 319.5-317 and closed at 317.6, marginally up by Rs.5 per quintal from previous close.

## Weather watch (Forecast on June 4, 2005)

### Monsoon Outlook:

#### **\*\*Conditions are favourable for onset of southwest monsoon over Kerala within next 72 hrs.**

Increase in rainfall activity likely over south peninsula.

#### **Weather Systems:**

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

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.

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.

A western disturbance is expected to approach north Pakistan and adjoining Jammu & Kashmir area during 6-7 June 2005. Under its influence, the hilly region of NW India may experience isolated to scattered snowfall/rains during the said period.

#### **Rainfall:**

Isolated heavy rainfall likely over Andaman & Nicobar Islands, Lakshadweep and Kerala during next 24 hours.

Isolated duststorm/thunderstorm likely in Haryana and Uttar Pradesh. mainly dry weather in the rest region.

Rain/thundershowers with isolated hail/squall likely at a few places over NorthEastern States, West Bengal & Sikkim and coastal Orissa and isolated over the rest region outside east Madhya Pradesh where weather will be mainly dry.

Rain/thundershowers likely at many places over Andaman & Nicobar islands, Kerala and Lakshadweep; at a few places over coastal Karnataka and coastal Andhra Pradesh. it may be isolated over the rest region.

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

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

#### **Temperatures:**

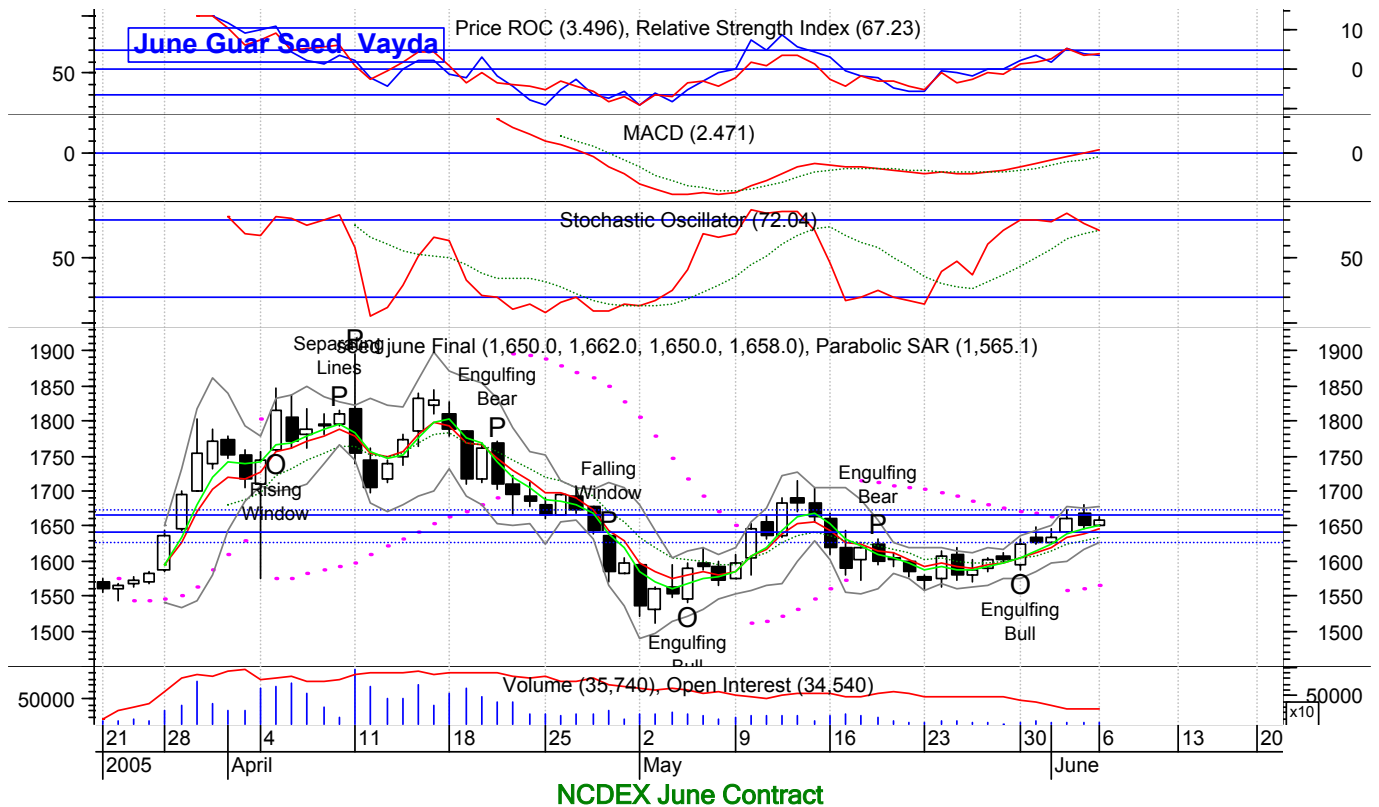
Day temperature over NW and Central India is likely to rise by about 2 degree C during next 2-3 days.

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.

## Technical Analysis

**Commodity: Guar Seed**

**Perspective: Very Short Term**



**NCDEX June Contract**

### Candlestick:

Formation of Candlestick pattern is indicating towards steady opening and range bound downward trade on Monday.

### Stochastic:

The stochastic is moving downward, %K line has come down from overbought region and about to touch %D line from above, hinting that prices may come down on next day.

### MACD:

The MACD (5-day) is moving upward above the zero line and lying above its EMA, hinting towards slight strength in the market.

### Alignment pattern:

The alignment pattern of moving averages is indicating slight firmness in the market.

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

### Market advice:

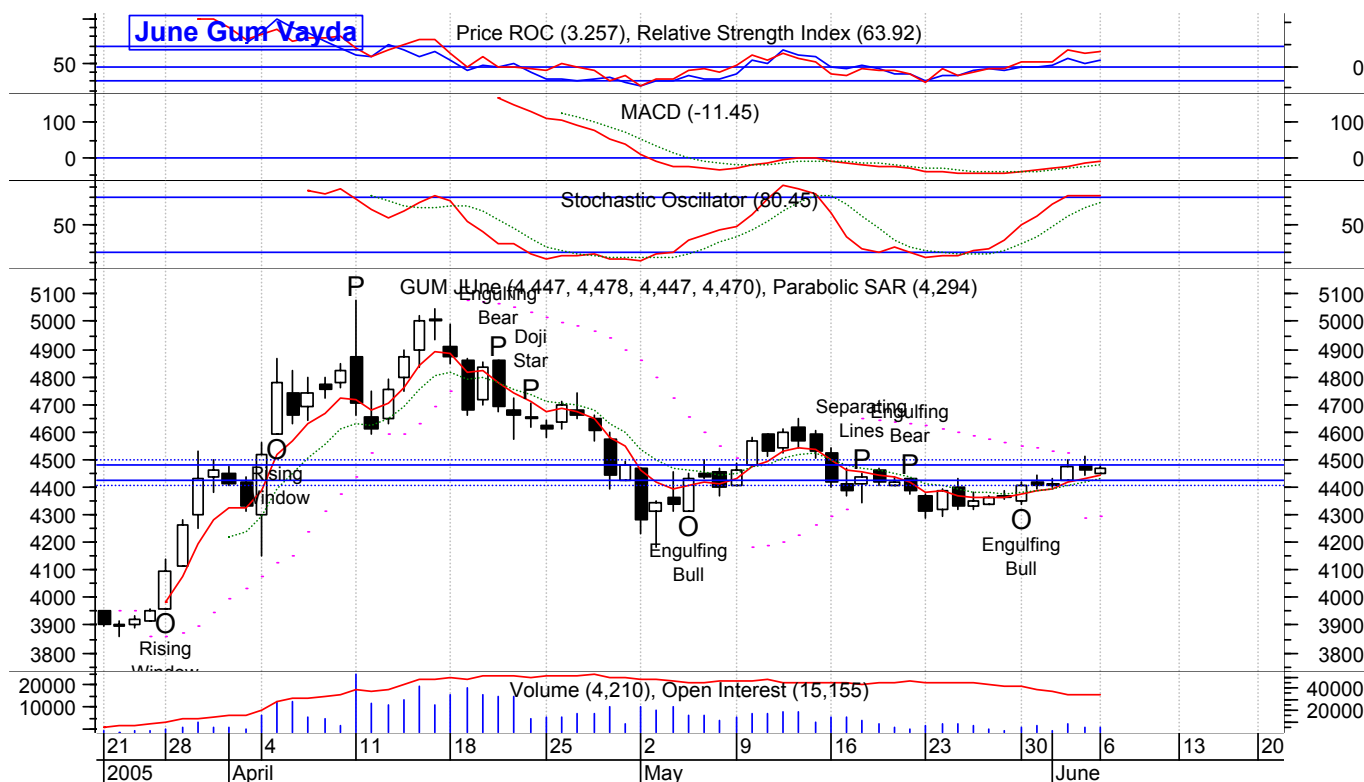
Prices are expected to open steady/firm and trade range bound marginally downward on Monday. (But if any news occurs regarding delayed monsoon, prices will soar up)

Trade with very short-term outlook.

## Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1640	1627	1665	1673
July	1658	1647	1682	1689

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



**NCDEX June Contract**

**Candlestick:**

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

**Stochastic:**

The stochastic is moving in overbought region and has flattened; %D line is still in neutral region, indicating that technical correction may take place very soon.

**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 prices.

Guar gum June contract witnessed range bound upward trade which settled marginally up at the end. July and August contracts also followed similar path. Guar gum is expected to open firm and trade range bound marginally downward tomorrow.

**Market advice:**

Prices are expected to open steady/firm and trade range bound marginally downward on Monday. (But if any news occurs regarding delayed monsoon, prices will soar up)

Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4424	4408	4482	4501
July	4497	4484	4562	4580

**EXCHANGE RATE:**

Currency	Previous day	Today
US \$	43.66	43.55
Euro	53.54	53.18
British £	79.33	79.03
100 Yen	40.41	40.35

**Disclaimer**

This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). If a customer of an affiliate of IASL receives this report, its provision to the recipient is subject to the terms of business in place between the recipient and such affiliate. This document is for private circulation only and may not be reproduced in whole or in part for any purpose without written permission. Use of data and information contained in this report is at your own risk. Please visit us at: [www.agriwatch.com](http://www.agriwatch.com) Registered Office: E 12, Greater Kailash I, New Delhi 110 048 Telefax: (011) 2628 3336  
Copyright Ó 2002 Indian Agribusiness Systems Pvt Ltd.