

## GUAR SEED and GUAR GUM

June 13, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded slightly up
- Guar vayda settled higher

### MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded bullish with range bound for whole day today and ended at higher ground. All the contracts finished up. Guar seed physical markets also accompanied it and witnessed upward trade. Slight stockists activities were witnessed in markets.

In Jodhpur, it was dusty weather today. Light showers were also witnessed last night over there. Bikaner line 98% whitish guar seed was sold at Rs.1670-75 per quintal today evening. Nagaur-Merta line was quoted at around Rs. 1630-40 per quintal.

Bikaner witnessed rainfall last night and today also it was dusty and cloudy weather over there. Guar seed was sold at Rs.1580 per quintal in Bikaner market where as in Nokha market, it fetched Rs.1480-90 per quintal.

All other markets also improved slightly but physical transactions were poor in all the markets.

Guar gum futures at NCDEX jumped up today and finished higher. Guar gum physical markets also followed the same and improved amid rising futures. Guar gum in Jodhpur market was sold at Rs.4375 per quintal during evening. Other markets also witnessed almost similar prices of guar gum today.

Market is still waiting for any confirm news regarding weather and no clear-cut indications are coming from meteorological departments regarding strength of monsoon. According to a recent news appeared in one newspaper, there were indications that the strong trough prevailing in the middle and upper parts of the atmosphere over the India-Pakistan border blocking the advancement of the monsoon is beginning to weaken. Also, the pressure gradient over the Bay of Bengal was also improving. This meant that the pattern of atmospheric circulation is turning favourable for the advancement of the northern limit of the monsoon. And if any confirm news comes regarding this, prices may slip down tomorrow afternoon or day after tomorrow but if monsoon is really weak, prices will shoot up.

### Salient points of the day

- Dusty and cloudy weather in most of the places in major guar growing areas like, Bikaner, Jodhpur, Ganganagar, Nokha etc.
- Upward trade in vayda and futures of guar seed and guar gum.
- Weather news/rumors in the markets: weaker monsoon this year.
- Weaker physical transactions in markets.

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

Commodity	Centres	11.06.05	13.06.05	Change
Guar seed:	Bikaner	1560	1580-90	+30
	Jodhpur-B line	1660	1675	+15
	Jodhpur-M line	1635	1630-40	+5
	Nokha	1470	1485	+15
	Alwar	1400	1425	+25
	Khairthal	1375	1400	+25
	Ganganagar	1550	1570	+20
Guar Gum:		4325	4375	+50

### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	316.2	317.2	320.7	+4.5

#### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened firm and traded upward with range bound moves for whole day and finished up. July vayda opened at 320.7, traded in the range of 316.1-321.3 and closed at 320.7, i.e., up by Rs.22.5 per quintal.

## WEATHER WATCH

### Forecast for next 24 hours

Isolated rain/thundershowers likely over Jammu & Kashmir and Himachal Pradesh. Isolated duststorm/thunderstorm likely over Punjab and Haryana including Delhi. Mainly dry weather in the rest region.

Rain/thundershowers with isolated squall likely at many places in the northeastern states and sub Himalayan West Bengal & Sikkim and at isolated places over Gangetic West Bengal, Orissa, Bihar and Chhattisgarh. mainly dry weather is likely in the rest region.

Rain/thundershowers likely at many places over Andaman & Nicobar islands and Kerala; at a few places over Lakshadweep, coastal & south interior Karnataka and isolated in the rest region.

Isolated rain/thundershowers likely over Konkan & Goa. Isolated duststorm/thunderstorm likely over Rajasthan and west Madhya Pradesh. Mainly dry weather in the rest region.

### Warning

Isolated heavy rainfall likely over Andaman & Nicobar Islands.

### (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 firm opening and range bound trade on Tuesday.

##### Stochastic:

The stochastic is lying in neutral region; %K line is above the %D line, and about to touch overbought line, indicating that technical correction may take place very soon.

##### MACD:

The MACD (5-day) has crossed zero line, lying above its EMA and moving upward, indicating that prices may still go up.

##### Alignment pattern:

The alignment pattern of moving averages is hinting towards higher prices tomorrow.

July contract of guar seed witnessed higher trade and ended up. June and August contracts followed the same. Guar seed is expected to open firm and trade range bound upward initially tomorrow.

##### Market outlook:

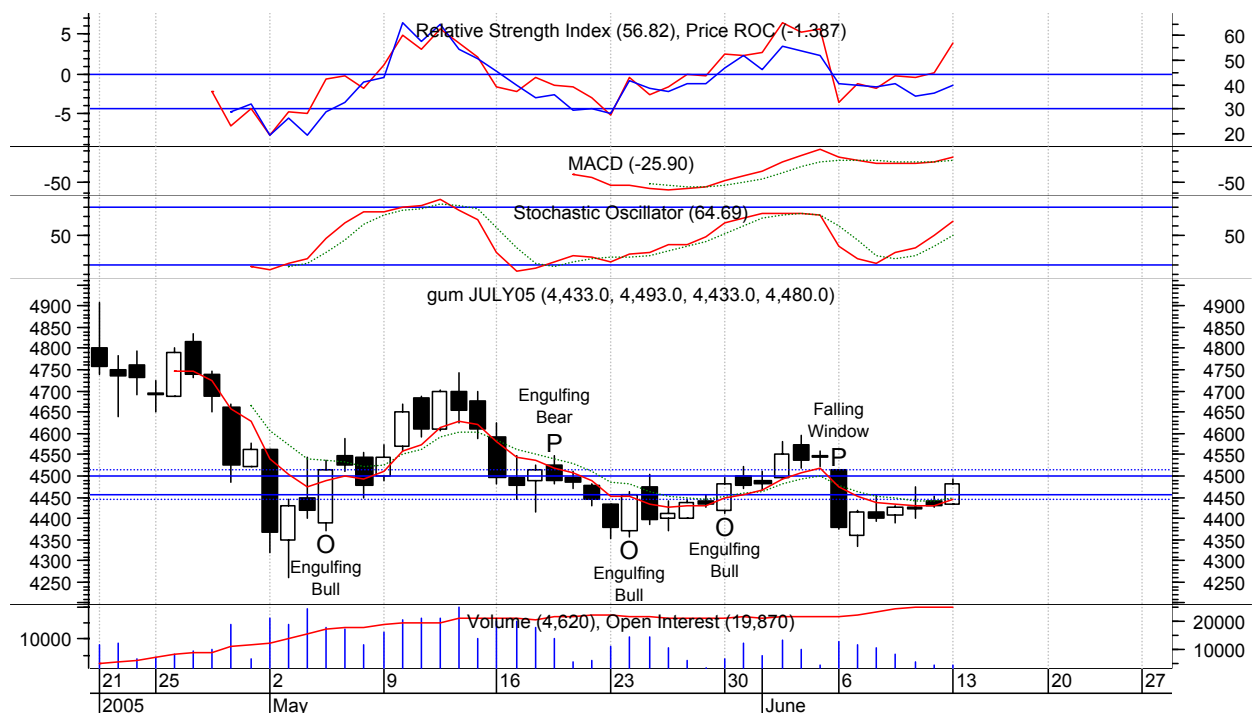
- Prices are expected to open firm/steady and trade range bound upward initially but technical correction toward lower side may take place later on Tuesday.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1636	1629	1652	1661
July	1653	1646	1678	1686
August	1672	1665	1694	1702



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



**Stochastic:**  
 The stochastic moving upward and %K line is lying above %D line, hinting towards higher price movement on Tuesday.

**MACD:**  
 The MACD (5-day) is steeply moving upward and has crossed its EMA from below, now indicating that prices could go up further.

**NCDEX June Contract**

**Candlestick:**  
 Formation of Candlestick pattern is indicating towards a firm opening and range bound trade on Tuesday.

**Alignment pattern:**

The alignment pattern of moving averages is indicating towards firmness in the market prices on next day.

Guar gum July contract traded up and finished higher. June and August contracts also traded in similar way. Guar gum is expected to open firm and trade range bound upward tomorrow.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4375	4360	4417	4440
July	4457	4445	4500	4515
August	4539	4520	4590	4607

- Prices are expected to open firm/steady and trade initially towards higher side with range bound moves on Tuesday, but it may come down later.
- Trade with very short-term outlook.

**EXCHANGE RATE:**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.62
European Union	Euro	52.74
United Kingdom	GBP	78.92
Japan	100 Yen	40.17

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. 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). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.