

## GUAR SEED and GUAR GUM

June 20, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda witnessed steep downward trade

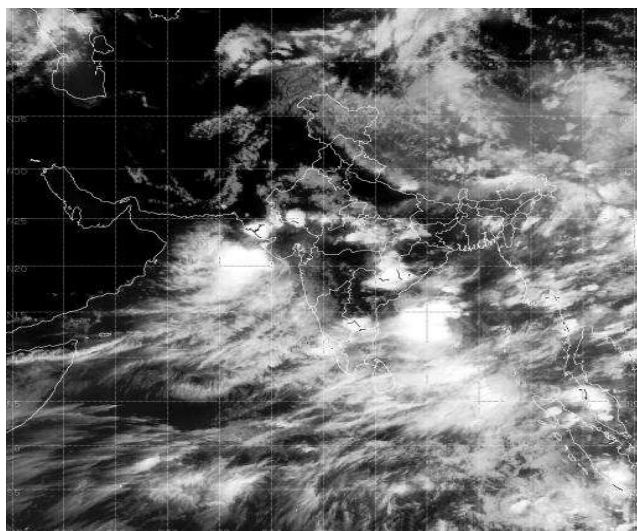
### MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures witnessed sharp decline in their prices and closed at much lower level than previous close. It was the progress of monsoon, which pushed the sentiments downward today. Also it was the last day of June expiry and amid these, guar fell sharply. Physical markets could not resist the movements of vayda and followed the same. Bikaner line 98% whitish guar seed fell down by Rs.45 per quintal and today it was sold at Rs.1625-30 per quintal in Jodhpur market. Nagaur-Merta line was also witnessed downward moves and was sold at around Rs.1600 per quintal in the same market.

Bikaner market also witnessed steep downward trade and guar seed was quoted at Rs.1550 per quintal over there. Other markets also witnessed significant downward moves in the prices of guar seed today.

Along with guar seed, guar gum futures also slipped and settled at much lower level at the end of the expiry of June contract today. Physical markets also traded following similar track and fell sharply. Guar gum was sold at Rs.4250-4275 per quintal in Jodhpur market though other markets also witnessed almost similar prices.

**Satellite Image Showing Monsoon Cloud Cover Over Arabian Sea at 12:00 Noon (Source:IMD)**



As the monsoon has started progressing normally, at least for the time being, and it rained at various places in Orissa, coastal Karnataka, Gujarat and south Rajasthan during last 24 hours, it influenced the prices of guar seed and gum negatively and guar market witnessed downward moves. Now the monsoon is getting strength in Arabian sea and it is expected to move further. Prices of guar will mainly depend on situation of monsoon in Rajasthan, Gujarat and Haryana. If they will witness timely and sufficient rainfall, prices will go down otherwise it will move up.

### Salient points of the day

- June contract expired today at NCDEX.
- Steep downward trade during whole day and closed at much lower level at the end.
- **Rajasthan is likely to experience mainly dry weather during next 5 days.**
- Clear to cloudy weather in most of the places in major guar growing areas like, Jodhpur, Bikaner, Nokha Ganganagar, etc.

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

CommodityCentres	18.06.05	20.06.05	Change
Guar seed: Bikaner	1580	1550	-30
Jodhpur-B line	1670	1625	-45
Jodhpur-M line	1540	1600	-40
Nokha	1520	1500	-20
Alwar	1425	1400	-25
Khairthal	1410	1400	-10
Ganganagar	1590	1535	-55
Guar Gum:	4350	4275	-75

## Bikaner Guar Vayda

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	322.6	317.7	315.9	-6.7

### Price movements at Bikaner Vayda

Bikaner guar seed traded steeply downward and the trade was interrupted in between as price fell by more than Rs.38.5 per quintal. July guar opened at 317.7 and closed at 315.9 during midday.

## WEATHER WATCH

Southwest monsoon has further advanced over some more parts of east central Arabian sea, south Madhya Maharashtra, parts of north interior Karnataka, entire Rayalaseema, parts of Telangana, coastal Andhra Pradesh and some more parts of west-central and north Bay of Bengal.

Monsoon may progress further and cover entire Konkan & Goa, south Gujarat region, more parts of madhya Maharashtra, parts of Marathwada, some more areas of Telangana, entire coastal Andhra Pradesh, parts of orissa, entire West Bengal, parts of east Bihar and Jharkhand during next 5 days.

### warning

Heavy to very heavy rainfall likely at a few places over Konkan & Goa. Isolated heavy rainfall also likely over Andaman & Nicobar islands, Lakshadweep, coastal Karnataka, madhya Maharashtra, Northeastern states, sub-Himalayan West Bengal & Sikkim and south Gujarat. state

### (Forecast as on June 20, 2005- for next 5 days)

**North & North-West India** [ J&K, HP, Uttranchal, Punjab, Haryana, West UP]

Mainly dry weather is likely to prevail over plains of northwest India during next 5 days.

Plains of north india are likely to experience moderate heat wave conditions over parts of west U.P. and Haryana during next 2-3 days.

A weak western disturbance is likely to move across J&K and adjoining hilly regions of NW India in an eastward direction. It may cause isolated rainfall/snowfall over hilly regions of NW India during next 24 hrs.

**East and NE India** [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE States]

North-eastern states and West Bengal are likely to receive fairly widespread to widespread rains/ thundershowers during next 3-4 days.

Scattered rain/thundershowers are expected over Orissa and isolated over Jharkhand and Bihar during next 4-5 days.

Heat wave condition may improve over Orissa and Bihar during next 3 days.

Heat wave condition over east U.P. may continue.

### Central India [ MP, Chattisgarh, Vidarbha]

Vidarbha and Chattisgarh are likely to receive isolated to scattered rains during next 3-4 days.

Prevailing heat wave condition over Chattisgarh and Vidarbha is likely to improve during next 3-4 days.

**South India** [ Tamilnadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Fairly widespread to widespread rainfall is likely over Andaman & Nicobar Islands, and scattered rainfall over Lakshadweep, Kerala, coastal Karnataka, south interior Karnataka north-interior Karnataka, south coastal A.P., Telangana and Rayalaseema during next 3 days. Rest of the region is expected to receive isolated rainfall.

**West India** [ Maharashtra other than Vidarbha, Gujarat, Rajasthan]

Widespread rainfall with isolated heavy to very rainfall is likely over Konkan & Goa; scattered to fairly wide spread over madhya Maharashtra, Marathwada and south Gujarat region and isolated over Saurashtra & Kutch during next 3-5 days.

Rajasthan is likely to experience mainly dry weather during next 5 days.

## TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**  
NCDEX July Contract

### Candlestick:

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

### Stochastic:

The stochastic is moving downward. Both %K and %D lines are below the oversold line, hinting that prices may take technical correction very soon.

### MACD:

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

### Alignment pattern:

The alignment pattern of moving averages is clearly hinting towards downward moves in prices.

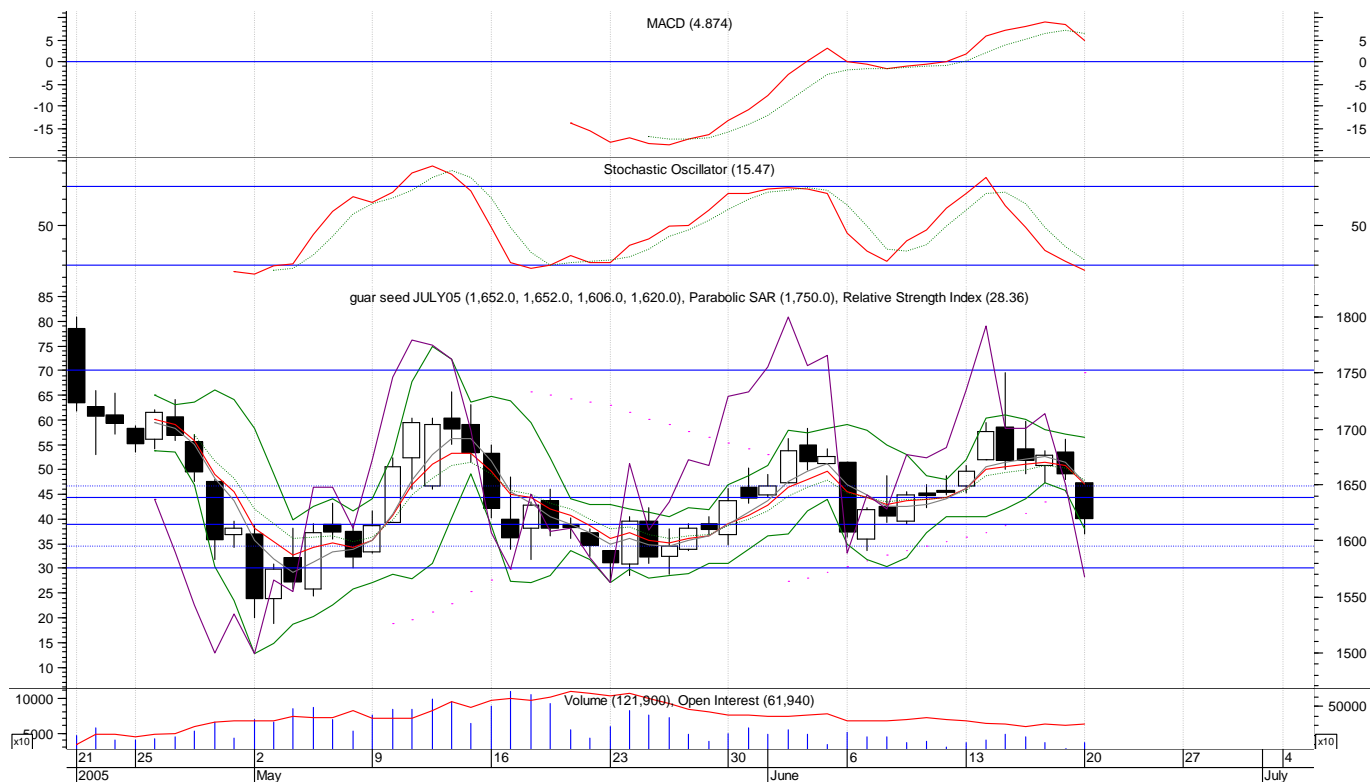
July contract of guar seed witnessed traded steeply downward and finished much lower at the end. June and August contracts also followed the same. Guar seed is expected to open weaker and trade range bound upward tomorrow.

### Market outlook:

- Prices are expected to open weaker/steady and trade range bound slightly upward on Tuesday. (If full fledged monsoon strengthens in Maharashtra and Gujarat with good rains tonight or tomorrow morning, prices may fall down further).
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1614	1595	1639	1648
August	1630	1614	1659	1672



### Commodity: Guar Gum

### Perspective: Very Short Term

### NCDEX July Contract

#### Candlestick:

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

#### Stochastic:

The stochastic is moving downward, %K line is moving downward below the oversold line and %D line and about to touch the oversold line, hinting towards expected technical correction.

#### MACD:

The MACD (5-day) has changed its curvature towards downward and crossed its EMA from above, indicating further downfall on Tuesday.

### Alignment pattern:

The alignment pattern of moving averages is not giving any clear-cut signal for Monday's price movements.

Guar gum July contract traded range bound and ended lower than previous close. June and August contracts also traded similarly. Guar gum is expected to open steady and trade range bound marginally up.

### Market outlook:

- Prices are expected to open weaker/steady and trade range bound slightly upward on Tuesday. (Keep on tracking the monsoon news and take the steps accordingly. If full fledged monsoon strengthens in Maharashtra and Gujarat, prices may fall down slightly).
- Trade with very short-term outlook.



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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4367	4318	4438	4457
August	4446	4412	4519	4539

#### EXCHANGE RATE:

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.54
European Union	Euro	53.22
United Kingdom	GBP	79.50
Japan	100 Yen	40.05

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