

## GUAR SEED and GUAR GUM

June 8, 2005

### MAJOR ACTIVITY HIGHLIGHTS

Guar seed and gum traded almost steady

Guar vayda settled marginally lower

### MARKET COMMENTARY OF MAJOR MARKETS

Amid the news of weakening of the monsoon, guar seed prices stepped up at NCDEX today morning but during afternoon there was new news in the markets that monsoon is normal and again guar seed slipped on this news and closed at lower ground at the end of the trade today.

Guar seed future markets are not witnessing good demand and are just following the futures in terms of price movements. Jodhpur market today witnessed price of Bikaner line 98% whitish guar seed as around Rs.1670 per quintal which came down to Rs.1650 per quintal during evening. Nagaur-Merta line was priced at around Rs. 1625 per quintal in same market today evening.

In Bikaner market, guar seed moved higher initially but slipped during evening and was sold at Rs. Rs.1560 per quintal over there. Nokha market traded almost steady today and guar seed was sold at Rs.1460 per quintal today.

All other physical markets also followed futures and witnessed range bound trade, upward initially in morning and lower towards the end of the day.

Guar gum futures at NCDEX rose up just after its opening and traded range bound on news of weaker monsoon but fell down during afternoon and closed lower. There was slight buying by one of the major guar gum exporter today. Guar gum in Jodhpur market traded in the range of Rs.4250-4325 per quintal today and was sold at Rs.4275 per quintal during evening.

### Salient points of the day

During Morning: News in various markets that monsoon is getting weaker, and vayda moved up amid this news.

During Afternoon: News in various markets that monsoon is normal, on which vayda moved downward during evening.

Physical markets finished at almost same level as yesterday.

Vayda traded marginally downward.

Weaker physical arrivals in markets.

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

Commodity	Centres	07.06.05	08.06.05	Change
Guar seed:	Bikaner	1560	1560	0
	Jodhpur-B line	1660	1650	-10
	Jodhpur-M line	1625	1625	0
	Nokha	1460	1460	0
	Alwar	1390	1680-90	0
	Khairthal	1375	1370	-5
	Ganganagar	1570	1535-60	-10
Guar Gum:		4275-4300	4275	-25

### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	313.2	315.7	311.5	-1.7

#### Price movements at Bikaner Vayda

Bikaner guar seed vayda opened firm and started trading upward initially but moved towards lower side thereafter and ended at lower ground. July vayda opened at 315.7, traded in the range of 316.4-311.1 and closed at 311.8, i.e., lower by Rs.8.5 per quintal.

### Weather watch (Forecast from June 8-June 13, 2005)

#### A. Weather Systems:

##### Outlook:

Rain/thundershowers likely at a few places over Uttaranchal, Himachal Pradesh and Jammu & Kashmir. duststorm/thunderstorm is likely at isolated places in Uttar Pradesh, Punjab and Haryana including Delhi, Chandigarh(during next 24 hours).

Isolated heavy rainfall also likely over Lakshadweep, Kerala, coastal Karnataka and Andaman & Nicobar islands

## Southwest Monsoon

South-West Monsoon has further advanced over some more parts of east central Arabian Sea, Union Territory of Goa, most parts of south interior Karnataka, Tamilnadu, parts of Rayalseema, South coastal A.P., entire SW Bay and some more parts of central Bay of Bengal.

Southwest monsoon activity is likely to continue over south Peninsular India (Kerala, south interior and coastal Karnataka) during next 4 days. Conditions are favourable for progress of South-West monsoon over some more parts of interior Karnataka, Tamilnadu, southern parts of North-eastern states during next 4 days.

### Western Disturbance

Model prediction suggests that 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, Lakshdeep, Andman & 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, Rayalaseema, 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

No large change in day temperatures are likely over most parts of the country, except over parts of plains of north India and central India where slight rise in day temperature is expected during next 2 days.

## TECHNICAL ANALYSIS

Commodity: **Guar Seed**

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

### Candlestick:

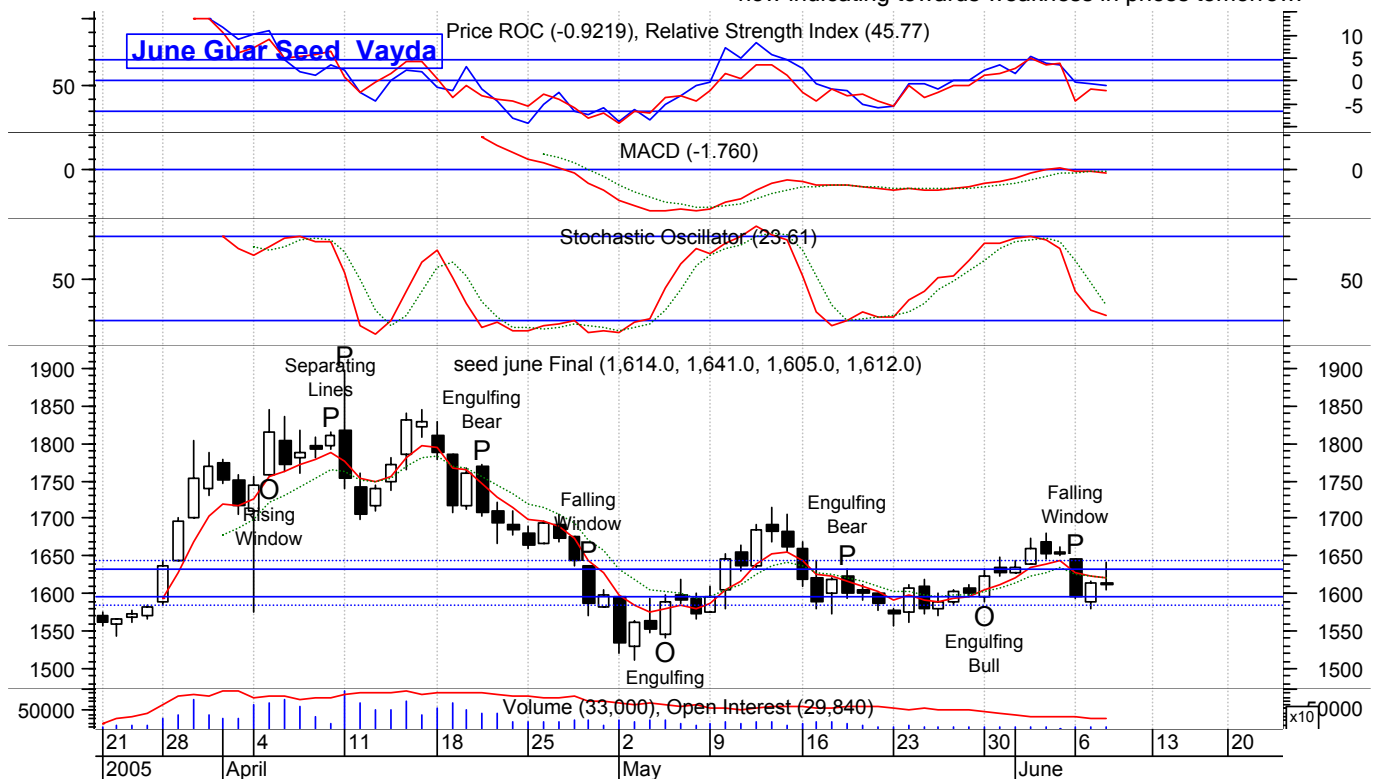
Formation of Candlestick pattern is indicating towards steady opening and range bound trade on Thursday.

### Stochastic:

The stochastic is lying near oversold region and is still below %D line, indicating that prices may remain weak still.

### MACD:

The MACD (5-day) has crossed its EMA from above and now indicating towards weakness in prices tomorrow.



**Alignment pattern:**

The alignment pattern of moving averages is clearly indicating weaker prices next day.

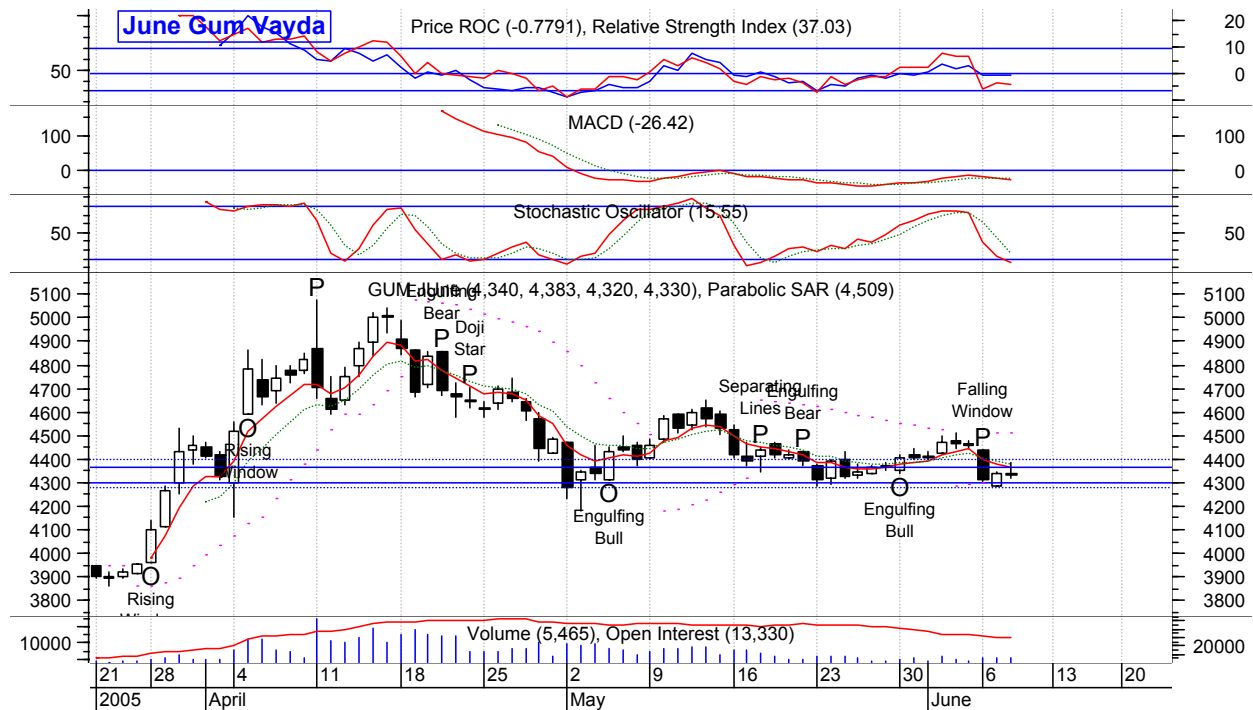
June contract of guar seed witnessed higher trade initially but finished at lower ground at the end. July and August contracts followed the same. Guar seed is expected to open weak and trade range bound tomorrow.

**Market advice:**

- Prices are expected to open weaker/steady and trade range bound marginally downward initially and improve afterwards on Thursday.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1597	1585	1633	1647
July	1605	1592	1649	1661

**Commodity: Guar Gum****Perspective: Very Short Term****NCDEX June Contract****Support and Resistance level for Guar Gum:**

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4300	4281	4364	4400
July	4373	4351	4446	4472

**Candlestick:**

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

**Stochastic:**

The stochastic is lying in oversold region and moving downward but slope has decreased slightly, %D line is following it, now a technical correction towards higher side.

**MACD:**

The MACD (5-day) is moving downward after it has crossed its EMA from above, indicating weakness in prices tomorrow.

**Alignment pattern:**

The alignment pattern of moving averages is clearly indicating weakness in the market prices.

Guar gum June contract witnessed upward trade during morning but fell down thereafter. July and August contracts also traded in similar way. Guar gum is expected to open weak and trade range bound tomorrow.

**Market advice:**

- Prices are expected to open weaker/steady and trade range bound marginally lower initially and may improve thereafter, on Thursday.
- Trade with very short-term outlook.

**EXCHANGE RATE:**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	53.62
United Kingdom	GBP	79.89
Japan	100 Yen	40.73

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