

GUAR SEED and GUAR GUM

June 24, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda settled much lower

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded range bound downward throughout the day and closed at lower ground. It traded speculative amid the monsoon though slight support was witnessed in physical markets of guar. Physical markets of guar seed witnessed very little deviation though they followed the vayda and came slightly down. In Jodhpur market, marginal downward trade was observed in guar seed, which followed the futures at NCDEX. Bikaner line 98% whitish guar seed was sold at Rs.1615 per quintal in Jodhpur market during evening today. Nagaur-Merta line was available at around Rs.1590-95 per quintal in the same market. Guar seed slipped marginally in Bikaner market also and it was sold at Rs.1510-20 per quintal. Other markets also witnessed slightly weaker prices today.

Guar gum future at NCDEX traded range bound downward almost throughout the day though it started the day with higher moves after a weaker opening. Physical markets also regarded the futures and prices of guar gum slipped marginally today and it was available at Rs.4250 per quintal in Jodhpur physical market. By-products of guar gum processing, i.e. guar Churi and guar Korma are in low demand now days and were sold at Rs.380 and Rs.440 per 75 kg, respectively.

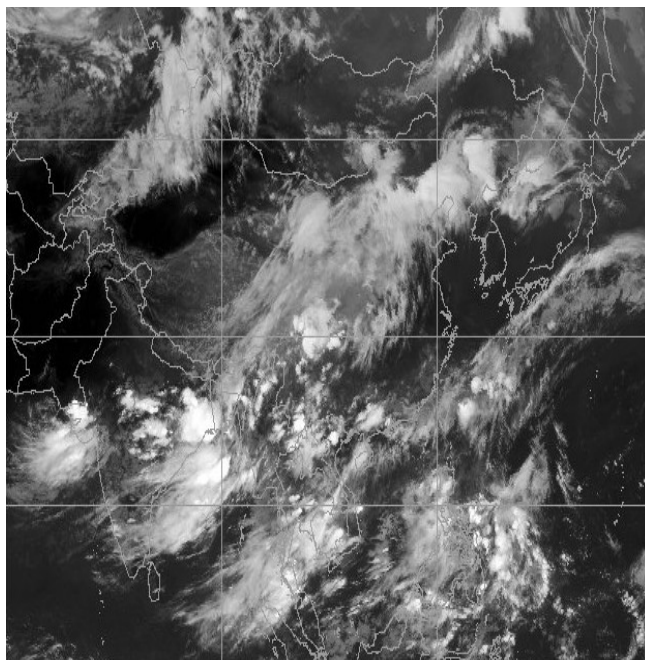
Monsoon is improving and getting better day by day. Latest satellite image released by IMD is showing that rainfall activity may increase in central and northern India. According to IMD, monsoon has covered almost three fourth India except NW regions. Though it rained yesterday in Alwar, Jaipur, Khairthal etc. but that type of rain was not witnessed today. Slight rains were observed in Nokha today. In Jodhpur, Bikaner etc, it was clear weather. After witnessing today's clear weather, it is expected that guar prices may remain marginally towards higher side.

Salient points of the day

- Nokha witnessed slight rains today.
- Jodhpur, Bikaner witnessed clear sky, partly cloudy at isolated places.
- Monsoon has further advanced in more parts of the country.

- Range bound downward trade in guar futures throughout the day amid monsoon sentiments.
- Cash markets slipped marginally following futures.

Satellite Image Showing Monsoon Cloud Cover Over Indian Sea at 5:30PM
(Source:BBC)



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

CommodityCentres	23.06.05	24.06.05	Change
Guar seed: Bikaner	1525	1520	-5
Jodhpur-B line	1625-30	1615	-15
Jodhpur-M line	1610	1590	-20
Nokha	1460	1430	-30
Alwar	1375	1365	-10
Khairthal	1375	1365	-10
Ganganagar	1530	1515	-15
Guar Gum:	4275	4250	-25

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	314.1	314.5	310.6	-3.9

Price movements at Bikaner Vayda

Bikaner guar seed vayda traded range bound downward during whole day and closed at lower level at the end. July contract of guar seed opened at 314.5, traded downward and with range bound movements and closed at 310.6, down by Rs.19.5 per quintal from previous close.

WEATHER WATCH

Forecast for next 24 hours

North : rain/thundershowers likely at many places over Uttar Pradesh and at a few places over Haryana, Uttaranchal and Himachal Pradesh and isolated in the rest region.

East : rain/thundershowers likely at many places in the northeastern states, West Bengal & Sikkim, Jharkhand and Bihar and at a few places over the rest region.

South : rain/thundershowers likely at many places over coastal Karnataka and at a few places in the rest of the region outside Tamil Nadu & Pondicherry where it may be isolated.

West : rain/thundershowers likely at most places in north Konkan, at many places over south Konkan & Goa, Saurashtra and south Gujarat region and at a few places in the rest region out side west Rajasthan where it may be isolated. Isolated duststorm likely over west Rajasthan.

Warning

Heavy to very heavy rainfall likely at a few places over sub Himalayan West Bengal & Sikkim and north Konkan, isolated heavy rainfall also likely over northeastern states, north Bihar, Saurashtra, south Gujarat region and south Konkan & Goa.

Current Weather Condition

The southwest monsoon has advanced as a weak current over the remaining parts of Maharashtra, Karnataka, Andhra Pradesh, Orissa, Bihar and Jharkhand, entire Chhatisgarh, some more parts of east Uttar Pradesh, Saurashtra & Kutch, Gujarat regions and southern parts of Madhya Pradesh. The heat wave conditions have abated from the entire country except extreme northwest Rajasthan. The well marked low pressure area over northeast and adjoining northwest Arabian sea has become less marked. The off shore trough at sea level over east Arabian sea from Konkan to Karnataka coast now runs from Saurashtra to Konkan coast. The upper air cyclonic circulation over coastal Orissa and adjoining westcentral Bay of Bengal now lies off Andhra coast and extends between 4.5 and 5.8 km above sea level. The upper air cyclonic circulation over sub-Himalayan West Bengal and neighbourhood persists and extends in the lower levels. A fresh upper air cyclonic

circulation extending upto 1.5 km above sea level lies over central parts of Uttar Pradesh.

(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 Rayalseema 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 trade on Saturday.

Stochastic:

The stochastic is moving in oversold region. %K line has crossed %D line from above, and expecting the trade towards lower side but technical correction is still awaited.

MACD:

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

Alignment pattern:

The alignment pattern of moving averages is clearly hinting for weaker prices tomorrow.

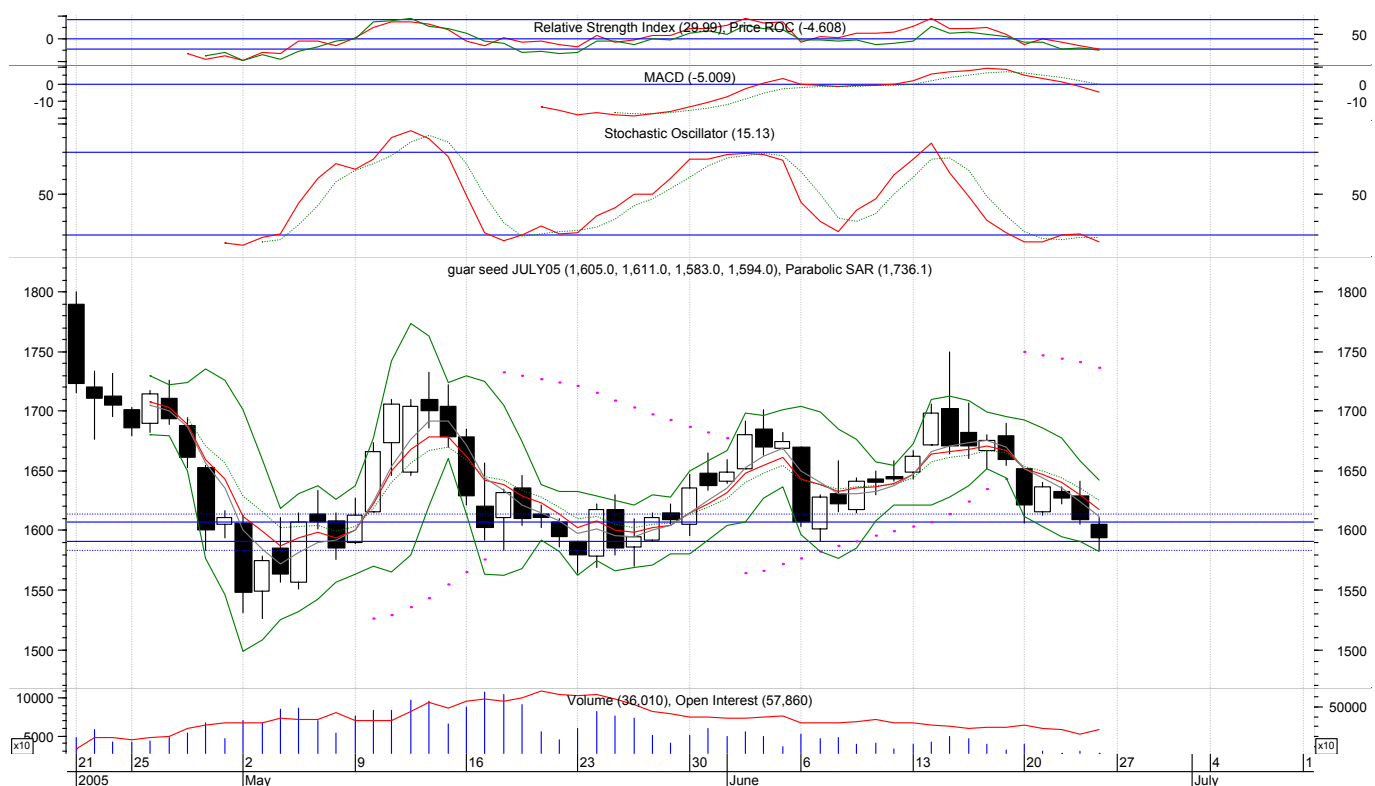
Guar seed opened weaker and started trading upward initially but could not go long way and moved down and traded range bound downward through out the day. It is expected to open steady and trade range bound tomorrow with total dependence on rains.

Market outlook:

- Prices are expected to open weaker/steady and trade range bound marginally upward on Saturday (Keep an eye on Monsoon news and Rains).
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1591	1583	1607	1614
August	1614	1604	1630	1639



Commodity: **Guar Gum**
 Perspective: Very Short Term
 NCDEX July Contract

Candlestick:

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

Stochastic:

The stochastic is moving downward, both %K line and %D have reached in oversold region once again and %K line has crossed %D line from above, expecting trade towards weaker side.

MACD:

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

Alignment pattern:

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

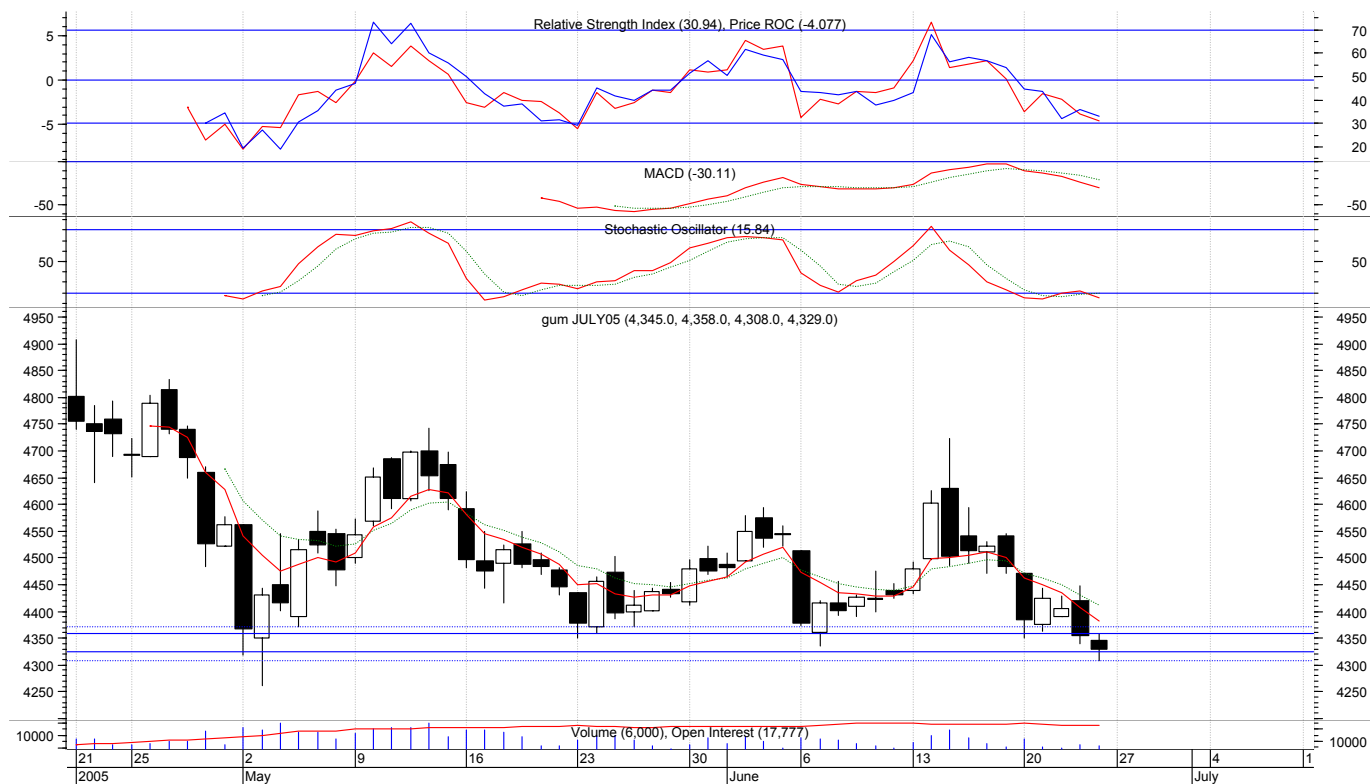
Guar gum July contract traded range bound downward through out the week. August and September contracts also traded similarly. Guar gum is expected to open steady and trade range bound tomorrow.

Market outlook:

- Prices are expected to open steady and trade range bound marginally upward on Saturday. (Keep on tracking the monsoon news and take the steps accordingly).
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4325	4308	4359	4371
August	4415	4390	4454	4473



EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	52.42
United Kingdom	GBP	79.12
Japan	100 Yen	39.96

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