

## GUAR SEED and GUAR GUM

July 30, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum witnessed range bound trade
- Guar vayda settled higher

### TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**

NCDEX August Contract

Candlestick:

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

**Stochastic:**

The stochastic has crossed the oversold line, %K has crossed %D line and moving in neutral region, expecting the movement towards higher side.

**MACD:**

The MACD (5-day) is moving downward, lying below its EMA and expecting the trade towards lower side.

**Alignment pattern:**

The alignment pattern of moving averages is indicating downward movement in the prices.

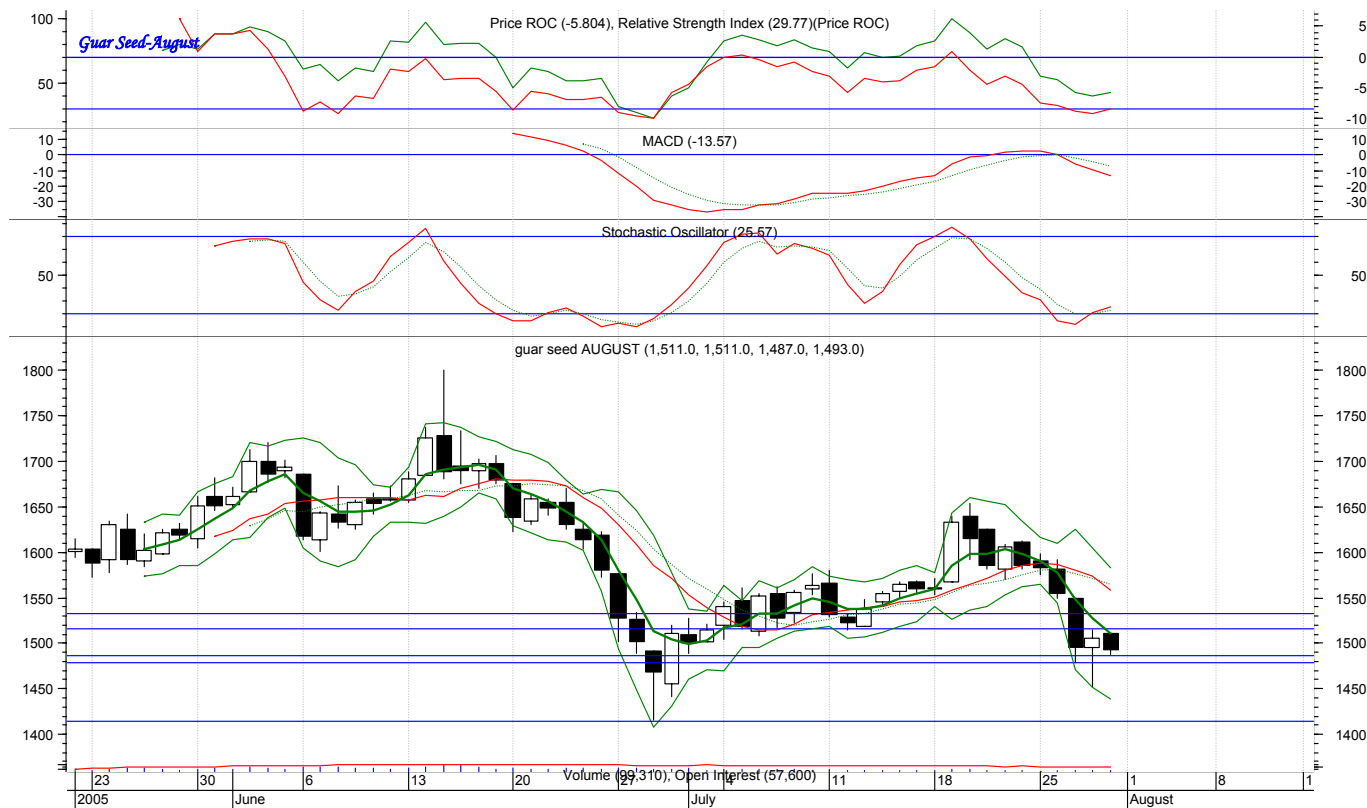
Guar seed future traded range bound and closed marginally lower. It is expected to open steady and trade range bound upward next day.

### Market outlook:

- Guar seed prices are expected to open steady/firm and trade upward with range bound movements on Monday. (Good rains in western Rajasthan during coming two days may lead to negative sentiments initially on Monday morning).
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

| Contract | Support |      | Resistance |      |
|----------|---------|------|------------|------|
|          | 1st     | 2nd  | 1st        | 2nd  |
| August   | 1487    | 1478 | 1516       | 1532 |
| Sept.    | 1507    | 1498 | 1537       | 1549 |



Commodity: **Guar Gum**

Perspective: **Very Short Term**

NCDEX August Contract

Candlestick:

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

Stochastic:

The stochastic is moving in oversold region, %K line has crossed %D line from below and moving upward in oversold region, expecting upward movement in prices.

MACD:

The MACD (5-day), has cut its EMA from above and moving downward, expecting price movement towards lower side.

Alignment pattern:

The alignment pattern of moving is indicating lower prices next day.

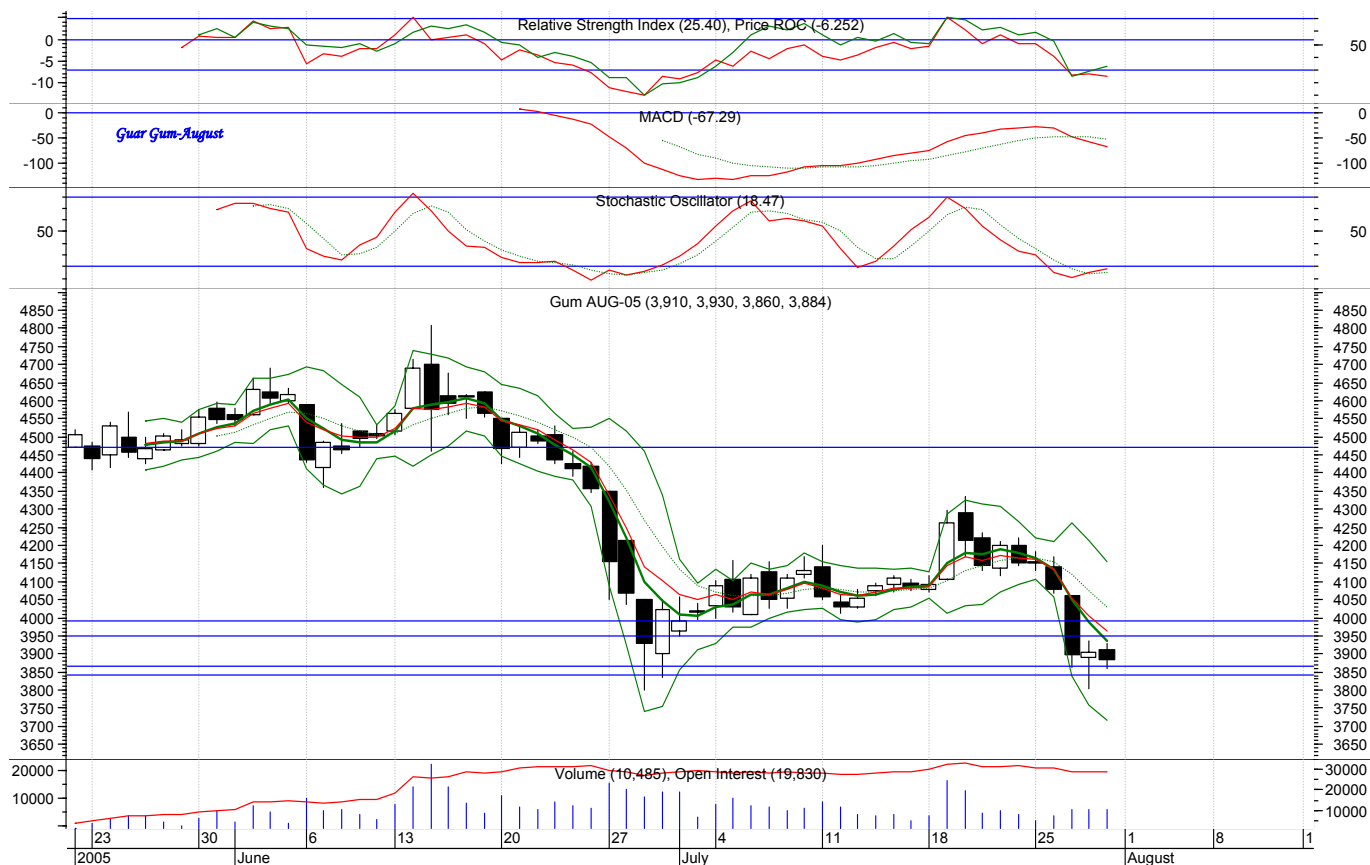
Guar gum witnessed range bound trade and finished marginally weaker. It is expected to open steady and trade range bound upward on Monday.

Market outlook:

- Guar gum is expected to open steady and trade upward with range bound movements on Monday. (Really good rains in western Rajasthan during coming two days may lead to negative sentiments initially on Monday morning and prices may take a temporary downward move e.g. Sept. contract may reach near to 1479).
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

| Contract | Support |      | Resistance |      |
|----------|---------|------|------------|------|
|          | 1st     | 2nd  | 1st        | 2nd  |
| August   | 3868    | 3841 | 3950       | 3992 |
| Sept.    | 3962    | 3946 | 4051       | 4076 |



## MARKET COMMENTARY OF MAJOR MARKETS

It was rains in Jodhpur, Barmer etc. which kept the prices of guar seed future at NCDEX under control today and guar seed traded in a narrow range and closed marginally weaker at the last. Physical markets also witness slight fluctuation in the prices and traded range bound downward. Bikaner line 98% whitish guar seed was sold at Rs.1540 per quintal during evening today. In Bikaner market also, guar seed slipped slightly and was available at Rs.1445 per quintal. Other markets of guar seed felt slight downward moves amid rainy weather in western Rajasthan.

Guar gum futures at NCDEX traded range bound in small range and settled marginally lower at the end. Guar gum in physical market of Jodhpur slipped slightly to Rs.3900 per quintal during evening amid rains parts of western Rajasthan.

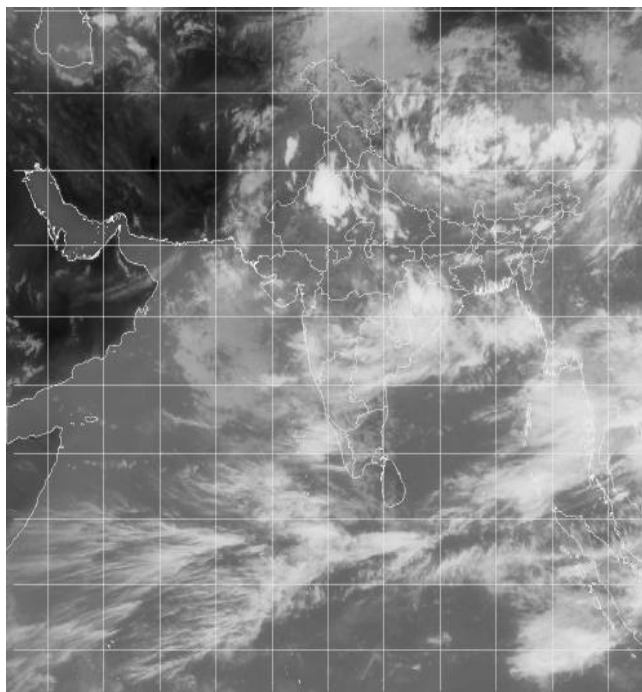
According to weather forecasts, a mid-tropospheric circulation (MTC) is likely to form around 31st July over Gujarat & adjoining North-East Arabian Sea leading to enhancement of rainfall activity over many parts of West and Central India and if it produces good rains in Barmer, Jaisalmer, Jodhpur areas, prices may slip slightly and otherwise will go up in case of clear weather in western Rajasthan during coming two days.

| Commodity | Centres        | 29.07.05 | 30.07.05 | Change |
|-----------|----------------|----------|----------|--------|
| Guar Seed | Bikaner        | 1460     | 1445     | -15    |
|           | Ganganagar     | 1425     | 1410     | -15    |
|           | Jodhpur-B line | 1560     | 1540     | -20    |
|           | Jodhpur-M line | 1535     | 1520     | -15    |
|           | Nokha          | 1400     | 1380     | -20    |
|           | Alwar          | 1325     | 1300     | -25    |
|           | Khairthal      | 1325     | 1300     | -25    |
| Guar Gum: |                | 3950-75  | 3900     | -75    |

### Salient points of the day

- Isolated scattered rains were witnessed in Jodhpur, Bikaner, Barmer, Nokha, Churu etc. during afternoon today.
- Western Rajasthan witnessed cloudy weather for whole day.
- Guar seed as well as guar gum traded range bound and settled marginally downward.
- Prices are expected to move range bound marginally upward tomorrow, depending upon the rains in western Rajasthan.

### Satellite Image Showing Latest Cloud Cover in Bay of Bengal (IMD-5:30PM)



### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open  | Close | Change |
|----------|-------------|-------|-------|--------|
| Sep.     | 292.2       | 291.5 | 290.8 | -1.4   |

#### Price movements at Bikaner Vayda

Bikaner guar vayda today opened marginally weaker at 291.5, traded marginally downward with range bound and finally closed at 290.8, down by Rs.7 per quintal from previous close.

## WEATHER WATCH

### Current Weather Situation (30-07-05)

#### PROGRESS OF MONSOON;

Yesterday's depression over northwest Bay of Bengal off Orissa coast remained practically stationary with its centre close to Balasore at 0830 hrs IST of today and has further intensified into a deep depression. It is likely to move in a west-northwesterly direction. The upper air cyclonic circulation over north Gujarat & adjoining south-west Rajasthan persists and now extends between 1.5 & 5.8 km a.s.l. The off-shore trough now runs from Konkan & Goa to Kerala Coast. The axis of the monsoon trough at sea level passes through Anupgarh, Aligarh, Lucknow, Daltonganj, centre of the deep depression and thence east-

southeastwards. Southwest monsoon has been vigorous over Orissa and active over Punjab, Konkan & Goa and Kerala. Rain/thundershowers occurred at most places over Andaman & Nicobar Islands, Gangetic West Bengal, Madhya Maharashtra, Coastal Karnataka and Lakshadweep, at many places over Gujarat state and at a few places over rest regions of the country outside Arunachal Pradesh, Assam & Meghalaya, Bihar, west Madhya Pradesh, Haryana, Chandigarh & Delhi, Vidarbha, Andhra Pradesh and Tamil Nadu & Pondicherry where it was isolated.

#### Forecast for Next 24 Hours

Rain/thundershowers are likely at most places over Orissa, Chhattisgarh; at many places over Andaman & Nicobar Islands, Gangetic West Bengal, Jharkhand, Konkan & Goa, east Madhya Pradesh, madhya Maharashtra, Vidarbha, north coastal Andhra Pradesh, Telangana, coastal Karnataka and Kerala and at a few places over rest regions of the country outside Tamil Nadu & Pondicherry where it may be isolated.

#### Outlook for subsequent two days :

Further increase in rainfall activity over central India and Maharashtra & Goa.

Slight increase in rainfall activity over Gangetic Plains and north peninsular India.

Subdued rainfall activity likely to continue over northeastern States.

#### Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Orissa and Chhattisgarh. Isolated heavy rainfall also likely over coastal Karnataka, Kerala, Konkan & Goa, madhya Maharashtra, Vidarbha, Gangetic West Bengal, Jharkhand and east Madhya Pradesh.

Source: GOI

#### EXCHANGE RATE

| Country/<br>Continent | Currency | Value in Rupees |
|-----------------------|----------|-----------------|
| USA                   | Dollar   | 43.44           |
| European Union        | Euro     | 52.66           |
| United Kingdom        | GBP      | 76.36           |
| Japan                 | 100 Yen  | 38.61           |

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