

## GUAR SEED and GUAR GUM

July 06, 2005

### MAJOR ACTIVITY HIGHLIGHTS

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

### TECHNICAL ANALYSIS

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

#### Candlestick:

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

#### Stochastic:

The stochastic is lying in overbought region, %K has slightly changed its curvature, lying above %D line and still expecting slight firmness in the prices tomorrow.

#### MACD:

The MACD (5-day) is moving upward, and now has crossed its EMA from below, indicating that prices may take higher steps.

#### Alignment pattern:

The alignment pattern of moving averages is also hinting slight upward moves for tomorrow.

Guar seed future traded range bound and settled higher. It is expected to open weaker/steady and trade marginally higher next day.

#### Market outlook:

- Guar seed prices are expected to open firm and witness range bound trade, marginally upward initially and downward later on.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1519	1500	1553	1571
August	1535	1511	1572	1589



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

### NCDEX July Contract

#### Candlestick:

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

#### Stochastic:

The stochastic is moving in overbought region, %K line is lying above %D line in the neutral region and approaching towards overbought line, expecting similar trend tomorrow also.

#### MACD:

The MACD (5-day), though lying below its EMA, but started moving upward and expecting marginally upward movements.

#### Alignment pattern:



The alignment pattern of moving averages is slightly hinting for marginal improvement tomorrow.

Guar gum July contract traded range bound upward and settled at much higher level. Guar gum is expected to open firm and trade in range bound marginally upward next day.

#### Market outlook:

- Guar gum is expected to open firm and move range bound upward initially and downward thereafter.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	3996	3947	4079	4119
August	4055	4010	4155	4195

## MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX opened firm and traded downward initially but moved higher with range bound movements throughout the day and closed at higher level. It was almost clear to partly cloudy weather today in Bikaner and Jodhpur and surroundings and amid this, prices moved upward. Physical markets moved after futures and reached to higher level. Bikaner line 98% whitish guar seed ranged from Rs.1525-30 per quintal during morning to Rs.1580 per quintal towards end of the day. Bikaner market witnessed upward traded during evening hours and guar seed was available at Rs.1490 per quintal. All other markets viz., Nokha, Alwar, Khairthal etc. also traded on similar pattern and moved to higher ground.

Guar gum futures at NCDEX witnessed higher moves after initial downward steps, which finally settled higher. Guar gum physical markets also traded similarly and witnessed higher ground. In Jodhpur market, guar gum was facing buying support by gum exporters and was sold at Rs.4050-60 per quintal during evening hours.

### Latest Long Range Weather Forecast (06.07.05)

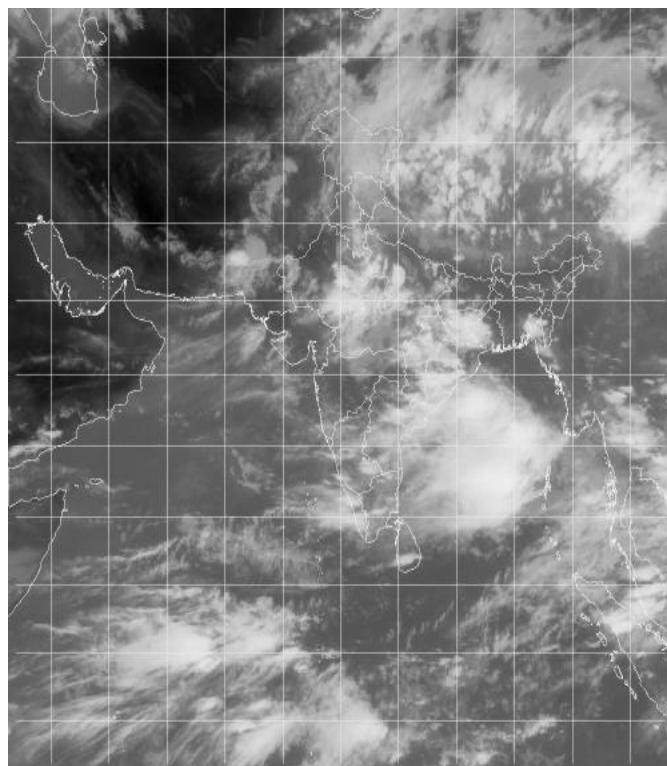
According to long term prediction of IMD as released today, the rainfall for the country as a whole is likely to be 98% of the Long Period Average (LPA) with a model error of  $\pm 4\%$ . It also predicted the rainfall in the month of July 2005 for the country as a whole is likely to be 97% of its LPA with a model error of  $\pm 9\%$ . Though it not deviating much from previous prediction of 98% rainfall as a whole with model error of  $\pm 5\%$ , but it could bring temporarily downward sentiment in the future markets of guar bean.

### Salient points of the day

- Continuous rains in eastern Rajasthan viz. Bundi, Chittorgarh, Jaipur etc.
- Almost clear weather in western Rajasthan (Jaisalmer, western Jodhpur etc.).
- Guar finished the day at higher ground.
- Rainfall for the country as a whole is likely to be 98%.
- Rainfall in the month of July 2005 for the country as a whole is likely to be 97%.

Commodity Centres	05.07.05	06.07.05	Change
Guar seed: Bikaner	1470	1490	
Jodhpur-B line	1440-50	1480	
Jodhpur-M line	1525	1450	
Nokha	1390	1410	
Alwar	1275		
Khairthal	1275		
Ganganagar	1440-45		
Guar Gum:	4000		

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



### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	297	298.5	303.6	+6.6
Sep.	299.9	301.2	307.1	+7.2

#### Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm and after initial downward movements, it traded range bound upward and settled higher. July contract of Bikaner guar vayda opened at 298.5 and closed at 303.6, up by Rs.33 per quintal from previous close. September contract opened at 301.2 and faced circuit closed at 307.1.

## WEATHER WATCH

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

#### PROGRESS OF MONSOON;

Yesterday's depression over northeast Madhya Pradesh and adjoining southeast Uttar Pradesh moved west-northwestwards and weakened into a well marked low pressure over southwest Uttar Pradesh and adjoining north Madhya Pradesh. It is likely to move slowly in a west-northwesterly direction. A fresh upper air cyclonic circulation has formed over northwest Bay of Bengal off Gangetic West Bengal-Orissa coast and extends upto 4.5 km above sea level. Yesterday's upper air cyclonic circulation over southwest Haryana and adjoining Rajasthan now lies over northwest Rajasthan and neighbourhood and extends upto 1.5 km above sea level. The upper air cyclonic circulation over Bangladesh and neighbourhood has become less marked. The axis of the monsoon trough at sea level passes through Bikaner, Jaipur, centre of the low, Ambikapur, Balasore and thence southeastwards to North Bay of Bengal. During past 24 hours, Southwest monsoon has been vigorous over Himachal Pradesh and active over west Uttar Pradesh, Uttaranchal, Haryana, Punjab, Rajasthan and west Madhya Pradesh. Rain/thundershowers occurred at most places over Andaman & Nicobar Islands, East Madhya Pradesh, Coastal Karnataka and Kerala; at many places over West Bengal & Sikkim, Orissa, Jharkhand, Bihar, east Uttar Pradesh, Konkan & Goa, Vidarbha and Coastal Andhra Pradesh and at a few places over Assam & Meghalaya, Nagaland, Mizoram, Manipur & Tripura, Jammu & Kashmir, Madhya Maharashtra, Chhattisgarh, Telangana, South Interior Karnataka and Lakshadweep. It was isolated over rest regions of the country outside Saurashtra & Kutch where weather was mainly dry.

#### Forecast for Next 24 Hours

Rain/thundershowers are likely at most places over west Uttar Pradesh, Uttaranchal, Haryana, Chandigarh & Delhi, Himachal Pradesh, east Rajasthan, West Madhya Pradesh and Konkan & Goa; at many places over Gangetic West

Bengal, Orissa, East Madhya Pradesh, East Uttar Pradesh, Jammu & Kashmir, Punjab, West Rajasthan, Madhya Maharashtra, Coastal Karnataka and Kerala. It may be at a few places over rest regions of the country outside Tamil Nadu & Pondicherry where it may be isolated.

#### Outlook for subsequent two days :

Rainfall activity over peninsular India including Maharashtra and eastcentral India is likely to increase. Rainfall activity over western Himalayan region and plains of Northwest India is likely to decrease.

#### Heavy Rainfall Warning

WARNING: Heavy to very heavy rainfall likely at a few places over West Madhya Pradesh, West Uttar Pradesh, Himachal Pradesh, Uttaranchal, Haryana including Chandigarh & Delhi and East Rajasthan. Isolated heavy rainfall also likely over West Bengal & Sikkim, Orissa, Punjab, Jammu & Kashmir, Konkan & Goa, Coastal Karnataka and Kerala.

## EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
European Union	Euro	52.05
United Kingdom	GBP	76.67
Japan	100 Yen	39.08

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