

## GUAR SEED and GUAR GUM

July 05, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound downward
- Guar vayda settled lower

### 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 Wednesday.

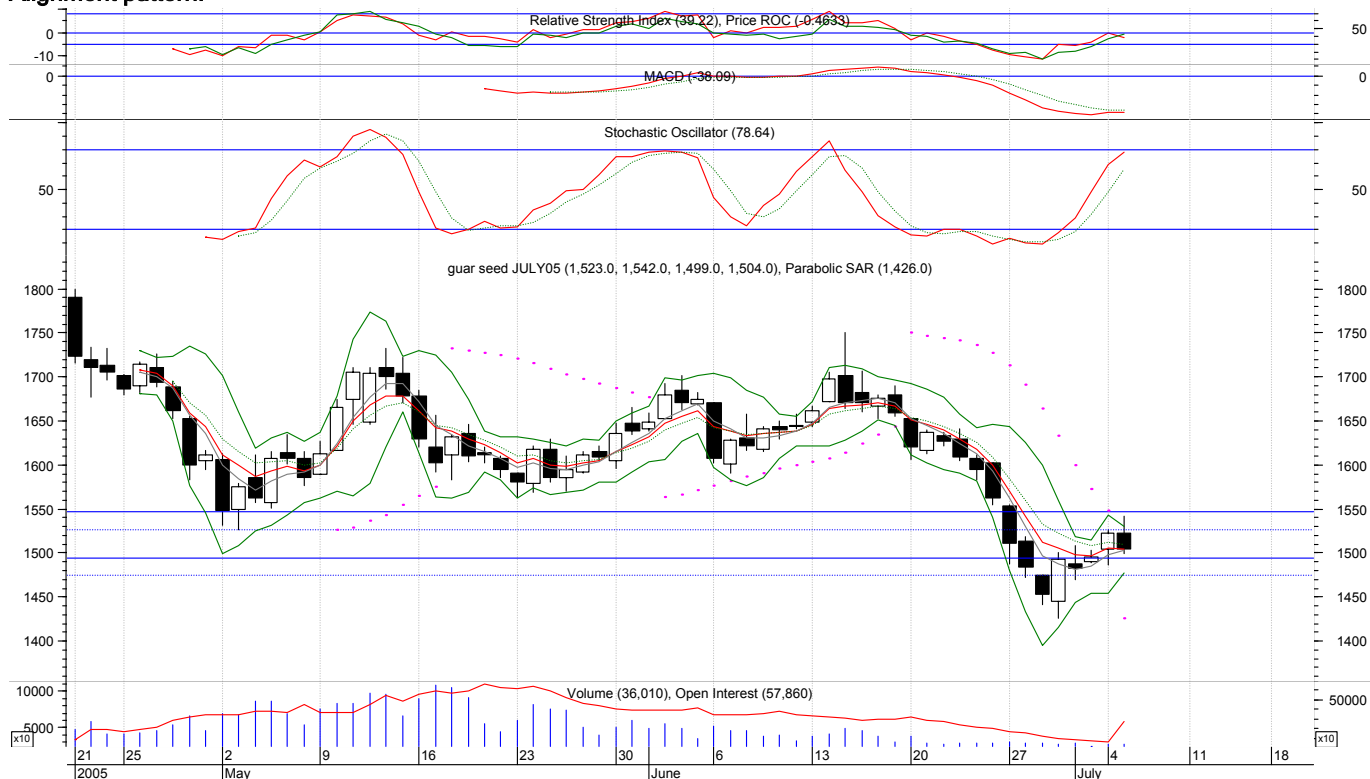
#### Stochastic:

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

#### MACD:

The MACD (5-day) is moving upward, still lying below its EMA, but about to cross it from below, indicating that prices may move towards higher side.

#### Alignment pattern:



The alignment pattern of moving averages is slightly hinting upward moves next day.

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 weaker and witness range bound, marginally upward movement on Wednesday.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1494	1474	1526	1547
August	1511	1486	1546	1568

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

### NCDEX July Contract

#### Candlestick:

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

#### Stochastic:

The stochastic is moving towards overbought line, %K line is lying above %D line in the neutral region and approaching towards overbought line, expecting further move in the same direction.

#### MACD:

The MACD (5-day) has changed its curvature, though lying still below its EMA, 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 and settled at lower level. Guar gum is expected to open weaker and trade in range bound marginally upward next day.

#### Market outlook:

- Guar gum is expected to open weaker and move range bound, marginally towards higher side on Wednesday
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	3923	3882	4010	4054
August	4000	3949	4090	4135



## MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX opened firm and traded upward initially but in the afternoon, the weather changed suddenly and heavy rainfall occurred in Bikaner and Nagaur regions of Rajasthan and amid that, prices slipped drastically. Physical markets, though were witnessing buying support in the morning, also followed the trend and came down. In Jodhpur market, Bikaner line 98% whitish guar seed was sold at Rs.1580-85 per quintal in the morning but came down to Rs.1540-50 per quintal towards end of the day. In Bikaner market, guar seed traded higher in the morning to Rs.1510 per quintal but slipped to Rs.1470 per quintal during evening. All other markets viz., Nokha, Alwar, Khairthal etc. followed the similar type of trend and settled lower.

Guar gum futures at NCDEX traded range bound upward during morning but after rains in Bikaner, it came down and settled lower. Prices of guar gum fluctuated in cash markets also e.g., in Jodhpur market guar gum was sold at Rs.4125 per quintal in the morning, which ended at 4000 per quintal during end of the day.

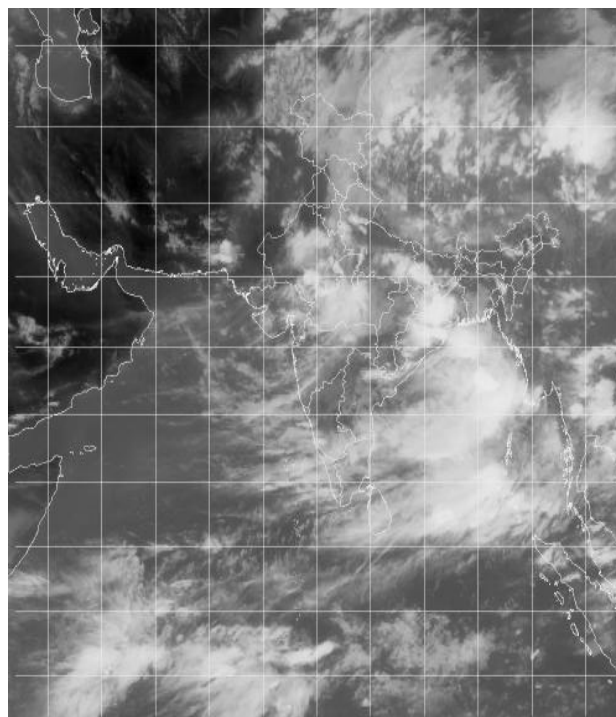
Guar seed and gum prices though slipped steeply amid rains but not much effect of this rain should be witnessed further as the main time of sowing of guar is last week of July. The rains will be affecting the prices only towards the end of this month. Good rains during 3<sup>rd</sup> and 4<sup>th</sup> week of July would lead to drastic drop in prices. On the other hand, if there are rain deficit during these days, prices will move up steeply.

### Salient points of the day

- Heavy rains in Bikaner and Nagaur and nearby areas of Rajasthan.
- Guar ended at lower ground after a firm start and upward trades during morning.
- Almost clear to partly cloudy sky in major guar growing areas of Rajasthan.
- Normal to heavy rains are expected in eastern Rajasthan and isolated rains in western parts of the state.

CommodityCentres	04.07.05	05.07.05	Change
Guar seed: Bikaner	1480	1470	-10
Jodhpur-B line	1540	1440-50	+10
Jodhpur-M line	1520	1525	+5
Nokha	1400	1390	-10
Alwar	1300	1275	-25
Khairthal	1300	1275	-25
Ganganagar	1450-55	1440-45	-10
Guar Gum:	4000	4000	0

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	300.5	302.5	297	-3.5
Sep.	303.8	305.5	299.9	-3.9

#### Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm and moved upward initially but during afternoon sudden atmospheric change was witnessed and dark clouds appeared which poured heavy rains over there and amid this sentiment, guar slipped steeply and finished lower. July contract of Bikaner guar vayda opened at 302.5 and closed at 297, down by Rs.17.5 per quintal from previous close. September contract opened at 305.5 and closed at 299.9, down by Rs.19.5 per quintal.

## WEATHER WATCH

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

#### PROGRESS OF MONSOON;

Yesterday's depression over north Madhya Pradesh and adjoining east Uttar Pradesh continues to persist without any appreciable movement and lay centred at 1430 hrs IST of today close to Banda in Uttar Pradesh. It is expected to move slowly in a north-northwesterly direction. Yesterday's upper air cyclonic circulation over Bangladesh and neighbourhood persists in the lower tropospheric levels. The other upper air cyclonic circulation over West Uttar Pradesh now lies over southwest Haryana and adjoining Rajasthan and extends upto 1.5 km above sea level. The axis of the monsoon trough at sea level passes through Anupgarh, Gwalior, centre of the depression, Jamshedpur and thence southeastwards to North Bay of Bengal. During past 24 hours, Southwest monsoon has been vigorous over Uttaranchal, Haryana, Punjab, Himachal Pradesh, East Rajasthan, East Madhya Pradesh and Konkan & Goa and active over West Bengal & Sikkim, West Uttar Pradesh, Jammu & Kashmir, West Madhya Pradesh and Coastal & South Interior Karnataka. Rain/Thundershowers occurred at most places over Andaman & Nicobar Islands and Kerala; at many places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Mizoram, Manipur & Tripura, Orissa, Bihar, East Uttar Pradesh, Madhya Maharashtra and Vidarbha and at a few places in the rest regions of the country outside Saurashtra & Kutch, Andhra Pradesh, Tamil Nadu & Pondicherry and Marathawada where it was isolated.

#### Forecast for Next 24 Hours

Rain/thundershowers are likely at most places over Himachal Pradesh, Uttaranchal, West Uttar Pradesh, Haryana, Chandigarh & Delhi, Gangetic West Bengal, Madhya Pradesh, East Rajasthan and Konkan & Goa; at many places over Andaman & Nicobar Islands, Jammu & Kashmir, Punjab, Bihar, Jharkhand, Chhattisgarh, Orissa,

Sub-Himalayan West Bengal & Sikkim, northeastern States, Coastal Karnataka, Gujarat region, Madhya Maharashtra, Marathawada, Vidarbha, Kerala and Lakshadweep. It may be isolated at a few places over rest regions of the country.

#### Outlook for subsequent two days :

Rainfall activity over Gangetic West Bengal, Orissa, Jharkhand and Bihar is likely to increase. Decrease in rainfall activity over Madhya Pradesh.

#### Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Madhya Pradesh, Himachal Pradesh and Uttaranchal; Isolated heavy rainfall also likely over Andaman & Nicobar Islands, West Bengal & Sikkim, Uttar Pradesh, East Rajasthan, Haryana including Chandigarh & Delhi, Konkan & Goa, Madhya Maharashtra, Coastal Karnataka and Kerala.

## EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
European Union	Euro	51.84
United Kingdom	GBP	76.45
Japan	100 Yen	38.95

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