

## GUAR SEED and GUAR GUM

July 21, 2005

### MAJOR ACTIVITY HIGHLIGHTS

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

### TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**

NCDEX August Contract

Candlestick:

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

Stochastic:

The stochastic has come down from overbought region, %K line has crossed %D line from above and moving downward, now expecting the movement towards downward.

MACD:

The MACD (5-day) is moving upward, now slightly flattened but still lying above its EMA, and expecting trade towards higher side.

Alignment pattern:

The alignment pattern of moving averages not confirming the downward moves in market prices.

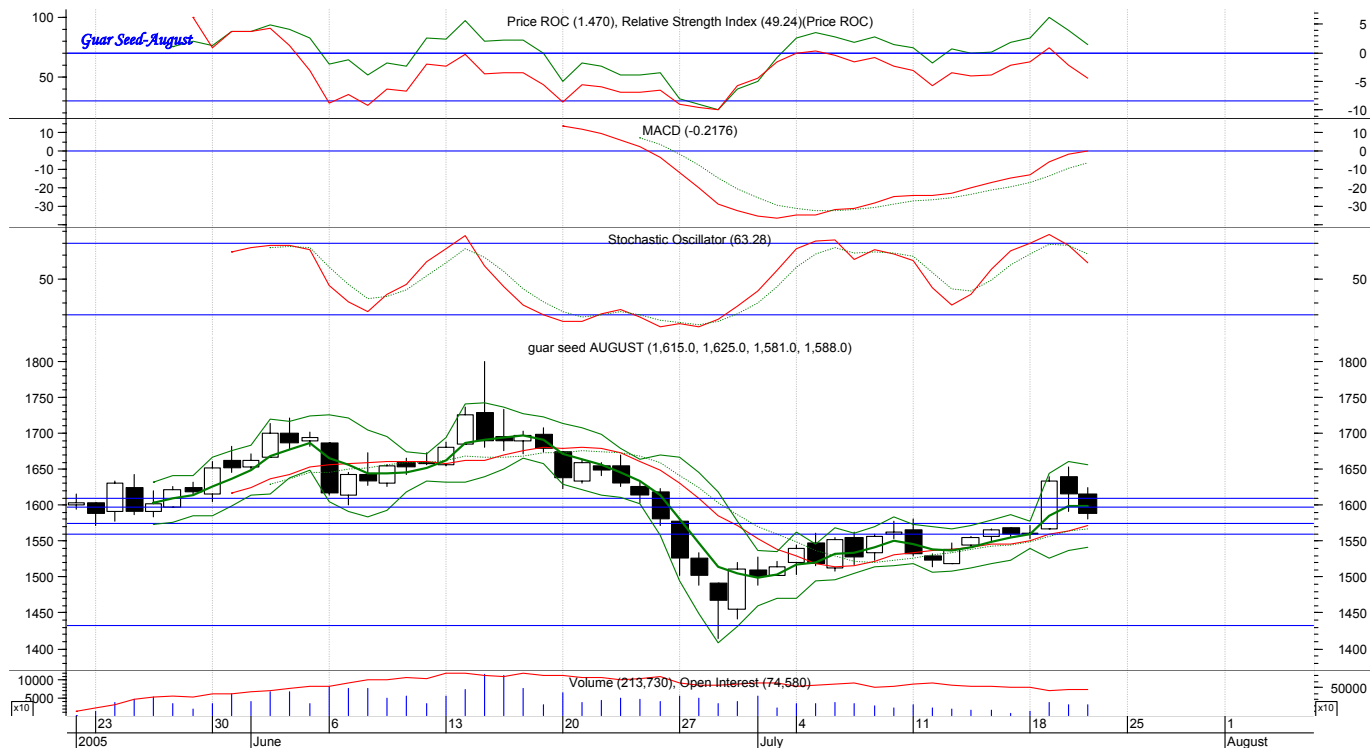
Guar seed future traded range bound downward and settled lower than previous close. It is expected to open weaker and trade range bound next day.

### Market outlook:

- Guar seed prices are expected to open marginally weaker and trade downward initially and range bound upward later on for Friday. Short selling is safer on higher levels.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	1575	1560	1598	1610
Sept.	1592	1575	1620	1633



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

**Candlestick:**

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

**Stochastic:**

The stochastic is lying in neutral region, %K line has crossed %D line from above and moving downward, expecting lower trades next day.

**MACD:**

The MACD (5-day), is moving upward in negative zone though slightly flattened and lying above its EMA, indicating the strength in the market.

**Alignment pattern:**

The alignment pattern of moving averages is indicating towards higher moves.

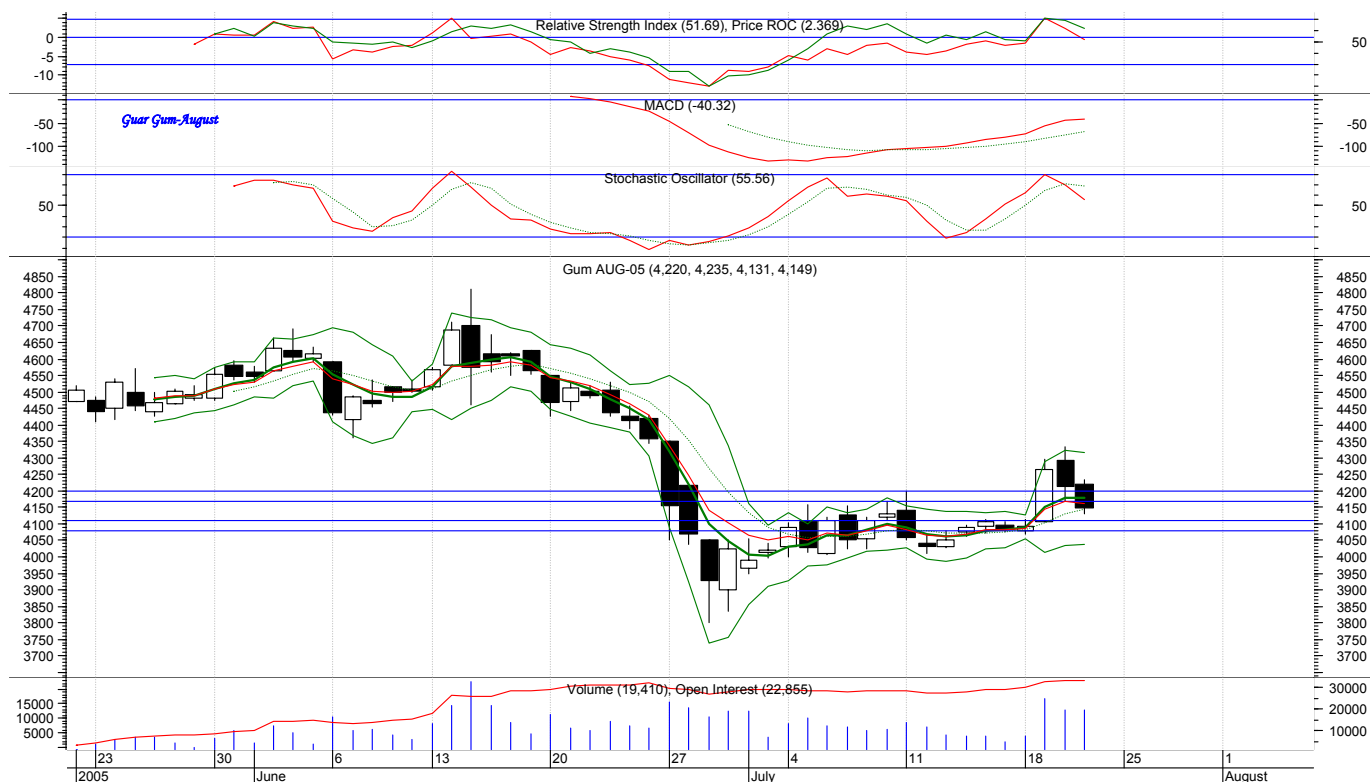
Guar gum traded range bound and finished the day at lower level. It is expected to open weaker and trade range bound marginally downward initially on Friday.

**Market outlook:**

- Guar gum is expected to open weaker and move range bound downward initially and may recover slightly later on. Still, selling short at higher levels is safer.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	4111	4079	4169	4200
Sept.	4183	4145	4251	4293



## MARKET COMMENTARY OF MAJOR MARKETS

New October contract of guar seed was opened today at NCDEX, which, along with other contracts, traded range bound downward and finally finished at lower level at the end. Physical markets could not do anything else except following the futures and they also traded slightly downward. Bikaner line 98% whitish guar seed was available at Rs.1580-1600 per quintal at evening in Jodhpur cash market today. Bikaner market also witnessed weaker prices today and guar seed was sold at Rs.1520 per quintal over there. Nokha market, though witnessed the price upto 1425 per quintal but improved slightly to Rs.1465 per quintal during late evening amid buying from speculators. Other markets also witnessed the weaker trade and finished the day at lower level.

Guar gum futures at NCDEX traded range bound downward and closed at lower ground at the end of the day. Physical markets followed it and guar gum was quoted at Rs.4150 per quintal in Jodhpur today.

Cash markets are not witnessing any strong demand for guar seed but it was the rains in Bombay and roomer of rains in Gujarat, which turned the sentiments downward and guar seed and gum slipped amid this. According to IMD, monsoon is expected to revive on 24<sup>th</sup> July, and if it brings some hope for rains in Rajasthan, prices may be affected adversely.

### Salient points of the day

- Guar seed as well as guar gum traded range bound downward.
- Sunny and windy weather in whole Rajasthan. Rains in most of the southern, west coastal and eastern parts of India.
- Prices are expected to move downward initially tomorrow morning and may recover slightly later on.

Commodity	Centres	20.07.05	21.07.05	Change
Guar seed: Bikaner		1550	1520	-30
	Jodhpur-B line	1650	1580-1600	-50
	Jodhpur-M line	1620	1575	-45
	Nokha	1480	1460	-20
	Alwar	1400	1400	0
	Khairthal	1400	1400	0
	Ganganagar	1515	1500	-15
Guar Gum:		4200	4150	-50

### Bikaner Guar Vayda

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	313	312.5	308.9	-4.1

### Price movements at Bikaner Vayda

Bikaner guar vayda today opened weaker, traded upward initially and range bound downward thereafter through out the day and closed at lower level. September contract today opened at 312.5, closed at 308.9 down by Rs.20.5 per quintal from previous close.

## WEATHER WATCH

### Current Weather Situation (21-07-05)

#### PROGRESS OF MONSOON;

Yesterday's upper air cyclonic circulation over Marathwada and neighbourhood has become less marked. An off-shore trough runs from Konkan Coast to Kerala Coast. The axis of the monsoon trough at sea level passes through Ferozepur, Bareilly, Lucknow, Varanasi, Dumka and thence to Kohima of Nagaland. Southwest monsoon has been active over Gangetic West Bengal, Andaman & Nicobar Islands, Bihar and Uttaranchal. Rain/thundershowers occurred at most places over Jharkhand, Konkan & Goa, Madhya Maharashtra, Coastal Karnataka and Kerala; at many places over Arunachal Pradesh, Assam & Meghalaya, Sub-Himalayan West Bengal & Sikkim, Orissa, Punjab, Marathwada and North Interior Karnataka and at a few places over Nagaland, Manipur, Mizoram & Tripura, Chhattisgarh, East Uttar Pradesh, Haryana, Himachal Pradesh, Jammu & Kashmir, Vidarbha, Tamil Nadu & Pondicherry, South Interior Karnataka and Lakshadweep. It was isolated over West Uttar Pradesh, East Madhya Pradesh, Gujarat State and Andhra Pradesh outside Rajasthan and West Madhya Pradesh where the weather was mainly dry.

#### Forecast for Next 24 Hours

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

**East:** Rain/thundershowers likely at many places over Northeastern States, Bihar, Orissa and West Bengal & Sikkim, at a few places in the rest of the region outside East Madhya Pradesh and Chattisgarh where it may be isolated.

**South:** Rain/thundershowers likely at many places in Andaman and Nicobar Islands, Lakshadweep, Coastal Karnataka and Kerala; at a few places over Interior Karnataka and isolated in the rest region.

**West:** Rain/thundershowers likely at many places over Konkan & Goa and Madhya Maharashtra; at a few places over Marathwada and isolated in the rest region.

#### Outlook for subsequent two days :

Ongoing rainfall activity over Northeastern States, Bihar, Sub-Himalayan West Bengal & Sikkim is likely to decrease. It may enhance along West coast of India. Rainfall activity likely to increase over Gangetic West Bengal, Orissa and north coastal Andhra Pradesh. The subdued rainfall activity likely over remaining parts of the country.

**Heavy Rainfall Warning**

Heavy to very heavy rainfall likely at isolated places over Konkan and Goa and Coastal Karnataka. Isolated heavy rainfall also likely over Sub-Himalayan West Bengal & Sikkim and Northeastern States.

Source: GOI

**EXCHANGE RATE**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
European Union	Euro	52.84
United Kingdom	GBP	75.82
Japan	100 Yen	38.61

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