

GUAR SEED and GUAR GUM

July 19, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum jumped steeply
- Guar vayda settled much higher

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**

NCDEX August Contract

Candlestick:

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

Stochastic:

The stochastic is moving in overbought level, %K line is lying above %D line and moving upward, still expecting marginal upward move in prices but technical correction may take place very soon.

MACD:

The MACD (5-day) started moving upward and lying above its EMA, still expecting upward trade next day.

Alignment pattern:

The alignment pattern of moving averages is giving indication for higher moves in market prices.

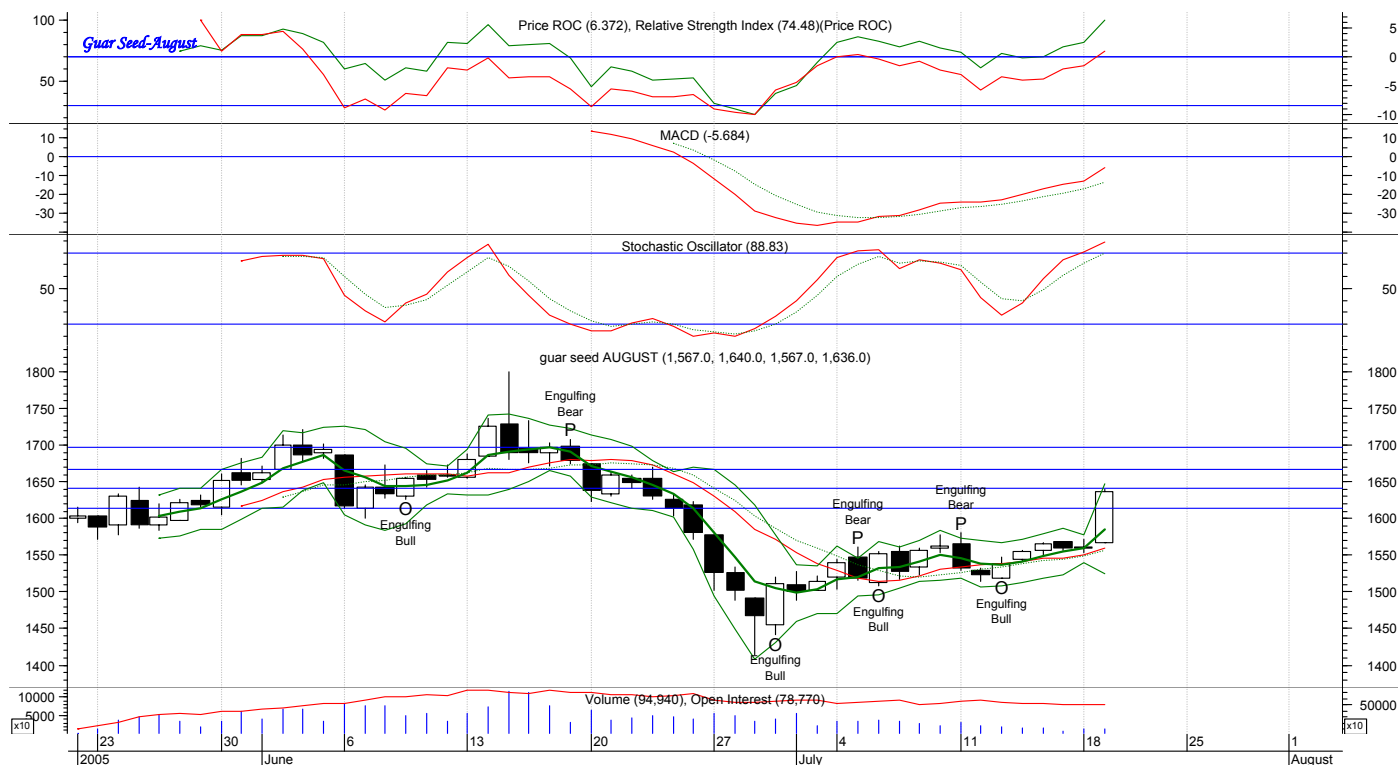
Guar seed future traded upward and settled much higher than previous close. It is expected to open firm and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open firm, trade upward initially and downward later on for Wednesday. It is expiry of July vayda tomorrow, and sentiments are still bullish amid sunny and windy weather in whole Rajasthan but one has to be cautious as it may take U-turn any time.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	1641	1614	1667	1697
Sept.	1675	1643	1699	1726



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

Candlestick:

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

Stochastic:

The stochastic is lying in overbought region, %K line is lying above %D line and moving upward, indicating upward move in prices.

MACD:

The MACD (5-day), is moving upward and lying above its EMA, indicating towards further strength in the prices.

Alignment pattern:

The alignment pattern of moving averages is indicating towards further upward moves.

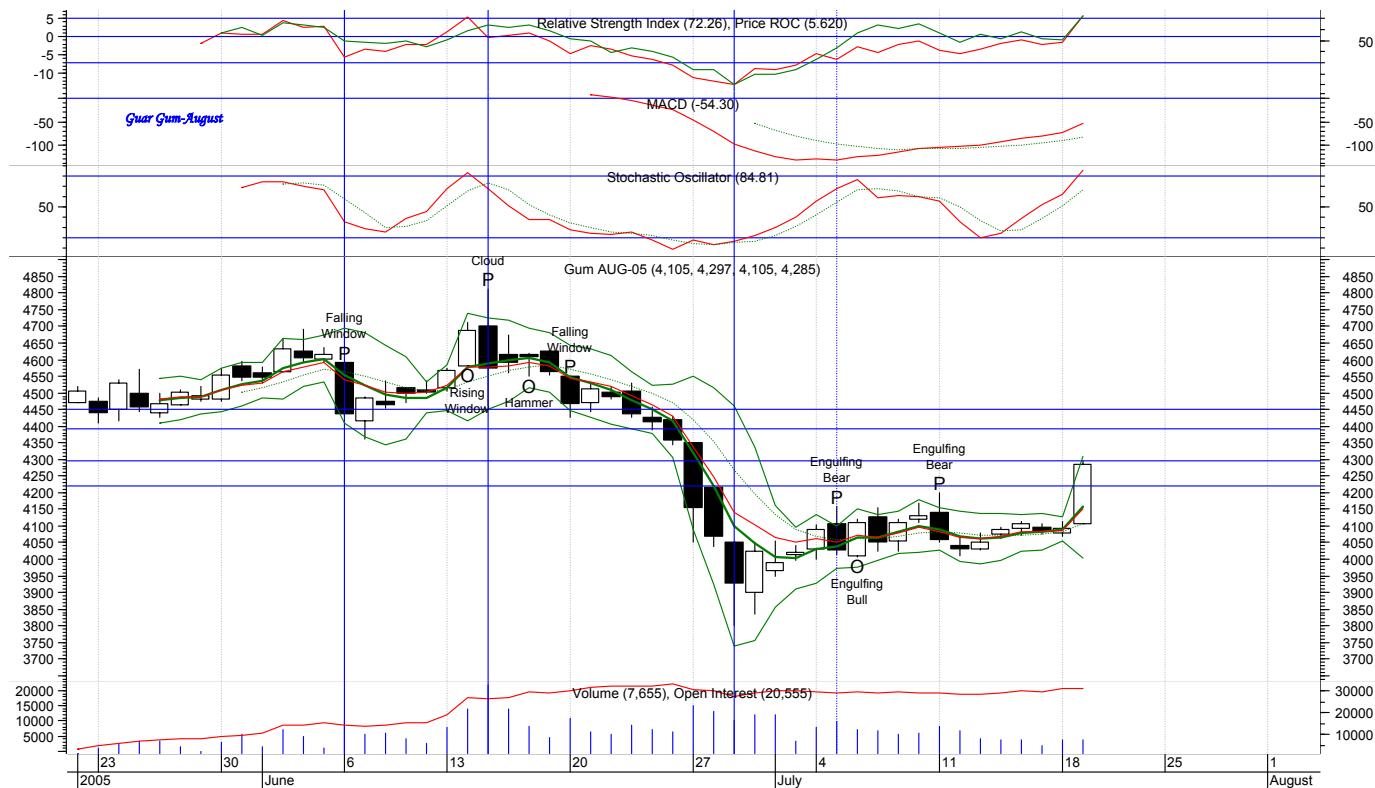
Guar gum traded upward and finished the day at higher level. It is expected to open firm and trade range bound upward further.

Market outlook:

- Guar gum is expected to open firm and take quick upward move initially and may come downward later on. Cautiousness is must as prices may come down any time.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	4297	4218	4394	4451
Sept.	4389	4306	4462	4521



MARKET COMMENTARY OF MAJOR MARKETS

Highly speculative trade was witnessed in guar seed futures at NCDEX today, which traded steeply upward and finally finished at much higher ground. Physical markets exactly followed the same and witnessed upward trade through out the day. Jodhpur market has witnessed the price of guar seed up to Rs.1700 per quintal today and it was available at Rs.1650-1700 per quintal during evening. Bikaner market also showed the upward move and guar seed was priced at Rs.1560-70 per quintal during evening today. All other markets saw huge gain in guar seed price today.

Guar gum futures at NCDEX moved up and witnessed huge gain today. Following guar gum futures, cash markets also jumped upward. In Jodhpur market, it was sold at Rs.4250 per quintal during evening, up by Rs.250 per quintal from last day price.

There were no sentiment of huge buying from millers or exporters today but it was sudden change in the weather of Rajasthan, which pushed the prices drastically. It was rainy weather in eastern Rajasthan almost every day during last fortnight and sometimes isolated rains in western parts also which kept the prices in the limit till yesterday, but the sudden change in weather today (full sunny and windy weather in almost whole Rajasthan as well as surrounding regions) helped the bulls to play the game and they showed their domination today and pushed the prices steeply upward. If this type of weather prevails for few more days, bulls will dominate the market and prices will go further upward but if any news regarding rain in western Rajasthan comes, prices will come down more steeply than it is going upward. On the other hand if hot, sunny and windy weather still prevails, prices may go upward for whole day tomorrow also.

Salient points of the day

- Guar seed as well as guar gum traded steeply upward.
- Sunny and windy weather in whole Rajasthan.
- Prices are expected to move upward initially tomorrow morning and may come down during afternoon.
- If hot, sunny and windy weather still prevails, prices may go upward for whole day tomorrow also.

Commodity	Centres	18.07.05	19.07.05	Change
Guar seed: Bikaner		1475	1560	+85
	Jodhpur-B line	1575	1650-1700	+125
	Jodhpur-M line	1550	1650	+90
	Nokha	1390	1510	+120
	Alwar	1300	1380	+80
	Khairthal	1300	1380	+80
	Ganganagar	1450	1530	+80
Guar Gum:		4025	4250	+225

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	303	302	304.4	+1.4
Sep.	306	308.2	313.6	+7.6

Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm and traded steeply upward through out the day and closed also at higher ground. July contract opened at 302 and closed at 304.4, up by Rs.7 per quintal where as September contract which opened firm at 308.2, closed at 313.6 and witnessed upward moves by Rs.38 per quintal.

WEATHER WATCH

Current Weather Situation (19-07-05)

PROGRESS OF MONSOON;

A fresh upper air cyclonic circulation lies over central Bay of Bengal between 2.1 km & 4.5 km above sea level. Yesterday's upper air cyclonic circulation over Telangana & neighbourhood has become less marked. The other upper air cyclonic circulation over West Uttar Pradesh and neighbourhood has become less marked. The upper air cyclonic circulation over central Pakistan and adjoining northwest Rajasthan persists extending upto 2.1 km above sea level. The axis of the monsoon trough at sea level passes through Ferozpur, Patiala and thence along the foothills of Himalayas to Assam. Southwest monsoon has been active over Assam & Meghalaya, Sub-Himalayan West Bengal & Sikkim, East Uttar Pradesh and Uttaranchal. Rain/thundershowers occurred at most places over Arunachal Pradesh, Himachal Pradesh, Coastal Karnataka and Kerala; at many places over East Rajasthan, Konkan & Goa, Madhya Maharashtra and Rayalaseema and at a few places over Nagaland, Manipur, Mizoram & Tripura, Gangetic West Bengal, Madhya Pradesh, West Uttar Pradesh, Jammu & Kashmir, West Rajasthan, South Interior Karnataka and Lakshadweep. It was isolated over rest regions of the country outside Andaman & Nicobar Islands where the weather was mainly dry.

Forecast for Next 24 Hours

North: Rain/thundershowers likely at a few places over Uttaranchal and north Uttar Pradesh and isolated in the rest region.

East: Rain/thundershowers likely at many places over northeastern states and sub-himalayan West Bengal & Sikkim and at a few places in Bihar and isolated in the rest of the region.

South: Rain/thundershowers likely at a few places in Karnataka and Kerala and isolated in the rest region.

West: Rain/thundershowers likely at a few places over Konkan & Goa, madhya Maharashtra and isolated in the rest region.

Outlook for subsequent two days :

Ongoing rainfall activity over northeastern states, sub-himalayan West Bengal & Sikkim, coastal Karnataka and

Kerala likely to continue. Subdued rainfall activity over remaining parts of the country likely to continue.

Heavy Rainfall Warning

Heavy to very heavy rainfall likely at isolated places over sub-himalayan West Bengal & Sikkim and northeastern

states. Isolated heavy rainfall also likely over coastal Karnataka and Kerala.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	52.34
United Kingdom	GBP	75.91
Japan	100 Yen	38.81

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