

## GUAR SEED and GUAR GUM

July 02, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda settled marginally 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 Monday.

#### Stochastic:

The stochastic is moving in neutral region, %K is lying above %D line and expecting the movement towards higher side.

#### MACD:

The MACD (5-day) is still moving downward below zero line and lying below its EMA but has flattened slightly, indicating that prices may remain marginally weaker next day.

#### Alignment pattern:

The alignment pattern of moving averages is yet not confirming upward trade completely.

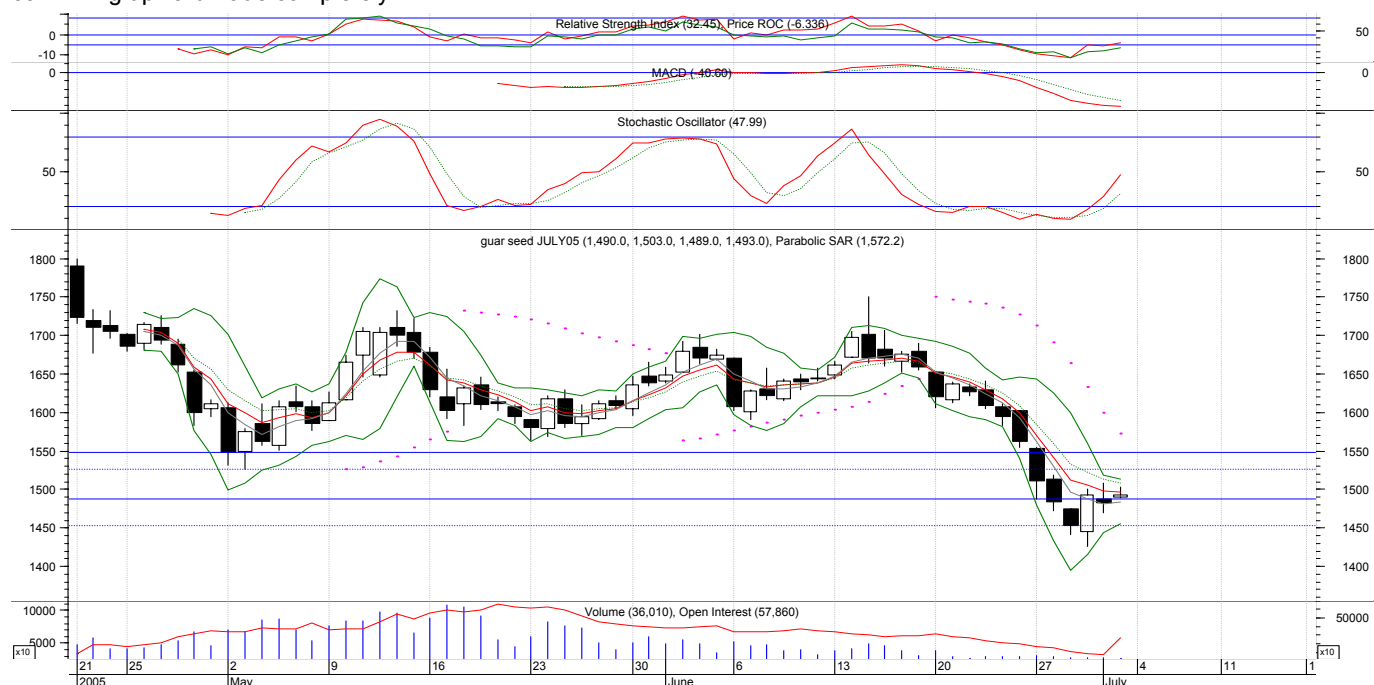
Guar seed traded range bound and settled marginally higher. It is expected to open firm/steady and trade range bound but still dependent on monsoon/rains.

#### Market outlook:

- Now the guar seed prices are expected to open steady and witness marginal upward movement initially tomorrow. Cloud cover over Rajasthan is changing very frequently. Though rain is not much expected in main guar growing areas for next two days but if there becomes any sudden change in weather conditions and it rains heavily over there, prices may slip down.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1488	1453	1526	1548
August	1499	1468	1544	1565



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 Monday.

#### Stochastic:

The stochastic is moving upward, %K line is lying above %D line in the neutral region, expecting trade towards higher side next day.

#### MACD:

The MACD (5-day) is moving downward and lying below its EMA, but has flattened slightly but still indicating weaker prices next day.

#### Alignment pattern:

The alignment pattern of moving averages is not confirming the upward moves in prices.

Guar gum July contract traded range bound and settled marginally higher. August and September contracts also followed the same. Guar gum is expected to open firm and trade in range bound upward next day.

#### Market outlook:

- Now the guar gum is expected to open firm and move towards higher side. Cloud cover over Rajasthan is changing very frequently. Though rain is not much expected in main guar growing areas for next two days but if there becomes any sudden change in weather conditions and it rains heavily over there, prices may slip down
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	3921	3860	4004	4043
August	3990	3898	4092	4135



## MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded range bound in narrow range and finished marginally higher at the end. Guar seed in physical markets also followed the futures and traded range bound. During evening, Bikaner line 98% whitish guar seed was sold at Rs.1530 per quintal in Jodhpur market. In Bikaner market also, it traded marginally higher and was available at Rs.1465-70 per quintal. Though all the markets improved marginally today but not much physical activity was seen in cash markets.

Guar gum futures at NCDEX settled slightly stronger after trading range bound through out the day. In Jodhpur market, it was available at Rs.3925 per quintal at the end, though it was sold upto Rs.4000 per quintal.

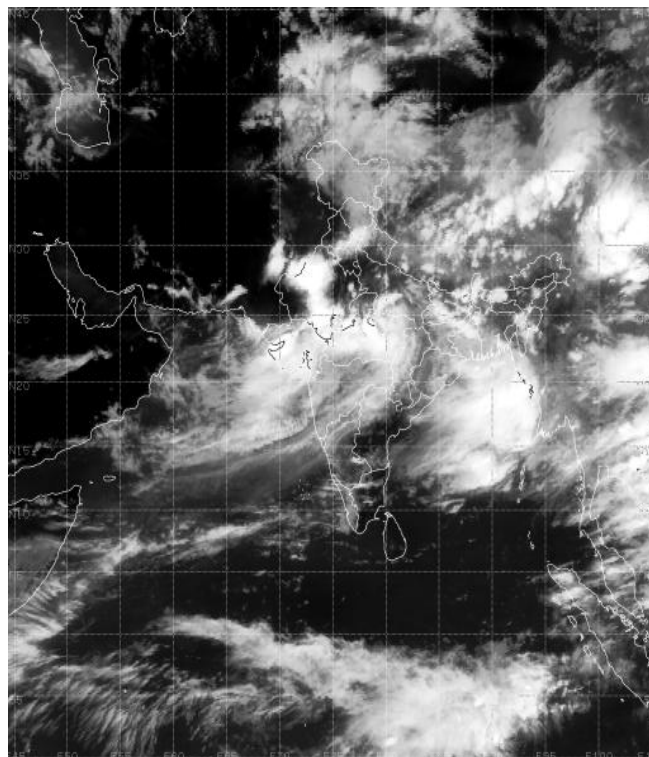
It rained today in Bikaner during afternoon. Though, clouds were not much prevalent over Rajasthan during last two days, but today, in the latest satellite image released from IMD, cloud cover was seen over Nagaur, Bikaner, Jodhpur, Bhilwara, Ajmer regions. They may produce rains tonight. If the rains continue tomorrow also that too with good intensity, then only it may influence the prices and change the sentiments towards downward otherwise prices are expected to move slightly upward on Monday.

### Salient points of the day

- Guar seed and gum traded in a narrow range and closed lower at the end.
- Clear to cloudy sky in almost all guar growing areas of Rajasthan.
- Good rains in Bikaner during afternoon.
- There could be increase in rainfall activity over NW India during 3-5 July,2005

CommodityCentres	01.07.05	02.07.05	Change
Guar seed: Bikaner	1465	1475	+10
Jodhpur-B line	1510	1530	+20
Jodhpur-M line	1475	1500	+25
Nokha	1375	1380	+5
Alwar	1300	1320	+20
Khairthal	1300	1320	+20
Ganganagar	1420	1440	+20
Guar Gum:	3900	3925	+25

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	290.1	293.8	293	+2.9
Sep.	293.2	296.5	296.1	+2.9

#### Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm, traded range bound and settled higher. July contract of Bikaner guar vayda opened at 293.8 and closed at 293, up by Rs.14.5 per quintal from previous close, where as September contract which opened today at 296.5, was closed at 296.1, again up by Rs.14.5 per quintal.

### WEATHER WATCH

(Medium Term Forecast as on June 27, 2005- for next 5 days)

#### Weather Systems:

Southwest monsoon has advanced over some more parts of Gujarat, entire east Madhya Pradesh and east Uttar Pradesh; most parts of west Madhya Pradesh and Uttranchal and some parts of south east Rajasthan, west Uttar Pradesh and Himachal Pradesh. The northern limit of monsoon passes through Nalia, Ahmedabad, Kota, Gwalior, Bareilly, Dehradun, Sundernagar, 32 deg. N/79 deg. E.

An upper air cyclonic circulation is developing over north Bay of Bengal. The circulation is likely to descend down and concentrate into a low pressure system within next 24 Hrs. With the formation of low pressure system, monsoon activity over Central India is likely to enhance during next 3 days.

Conditions are favourable for further advancement of monsoon over remaining parts of West Uttar Pradesh, Uttranchal, West Madhya Pradesh, Gujarat, Saurashtra and Kutch, and some more parts of east Rajasthan, Himachal Pradesh and parts of Haryana (including Delhi), Punjab and Jammu & Kashmir during next 2-3 days.

A weak western disturbance is likely to approach J&K and adjoining area by during 30 June -1July05. Under the combined influence of this and monsoonal winds, scattered to fairly wide spread rainfall may occur over certain parts of hilly regions of NW India during 30June-1July.

#### **Rainfall:**

Fairly widespread rainfall is likely over Uttranchal, West Uttar Pradesh during next 24 hours. Scattered rains are also likely over Himachal Pradesh during next 24 hours.

Fairly wide spread to Widespread rains are expected over Konkan & Goa, Vidarbha, East Madhya Pradesh, Chattisgarh, Orissa, West Bengal and Northeastern States during next 3-4 days.

Fairly wide spread rainfall is likely over Andaman & Nicobar Islands, Coastal and North Interior Karnataka, Kerala, North Coastal Andhra Pradesh, North Telanagana, Lakshadeep during the week.

Scattered to fairly wide spread rainfall is likely over West Madhya Pradesh, Jharkhand and Bihar, Madhya Maharashtra, Marathwada, Gujarat region, Saurashtra & Kutch and East Rajasthan and Haryana during later part of the week.

Isolated to Scattered rainfall is likely over Tamilnadu, Rayalaseema, South Interior Karnataka.

### **CURRENT WEATHER SITUATION (02-07-05)**

#### **PROGRESS OF MONSOON;**

Yesterday's depression over northeast Madhya Pradesh and adjoining southeast Uttar Pradesh moved westnorthwestwards and now lies over north Madhya Pradesh and adjoining east Uttar Pradesh at 0830 hours IST of today with its centre close to Khajuraho. The system is likely to move slowly in a west-northwesterly direction. The upper air cyclonic circulation over Gujarat and neighbourhood and extending between 1.5 and 5.8 km above sea level tilting southwards with height persists. The

other upper air cyclonic circulation over northwest Rajasthan and neighbourhood extending upto 2.1 km above sea level has merged with the seasonal trough. The axis of the monsoon trough at sea levels passes through Bikaner, Jaipur, Jhansi.

#### **Forecast for Next 24 Hours**

**NORTH :** rain/thundershowers likely at many places Uttar Pradesh and at a few places in the rest region.

**EAST :** rain/thundershowers likely at most places in east Madhya Pradesh and at many places over the rest region.

**SOUTH :** rain/thundershowers likely at many places over coastal Karnataka and Kerala and at few places in the rest region outside Andhra Pradesh and Tamil Nadu & Pondicherry where it may be isolated.

**WEST :** rain/thundershowers likely at most places over Konkan & Goa and Gujarat state and west Madhya Pradesh and at a few places over rest region.

#### **Outlook for subsequent two days :**

Ongoing rainfall activity over central parts of the country is likely to continue and may extend to northwestern parts of the country. The heavy rainfall activity over Gujarat state is likely to decrease.

#### **Heavy Rainfall Warning**

Heavy to very heavy rainfall likely at a few places over Madhya Pradesh, Konkan and Goa and Gujarat State. Isolated heavy rainfall also likely over Gangetic West Bengal, Orissa, Uttar Pradesh, East Rajasthan and Madhya Maharashtra.

### **EXCHANGE RATE**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	52.38
United Kingdom	GBP	77.59
Japan	100 Yen	39.19

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