

GUAR SEED and GUAR GUM

August 16, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum were almost steady
- Guar vayda slipped slightly

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: Very Short Term
NCDEX September Contract

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

Stochastic: The stochastic is moving downward; %K line lying in neutral region and below the %D line expecting further downward trade.

MACD: The MACD (5-day) is now moving downward, still lying above its EMA in positive zone, hinting marginal strength in prices.

Alignment pattern: The alignment pattern of moving averages is not confirming the downward move in prices.

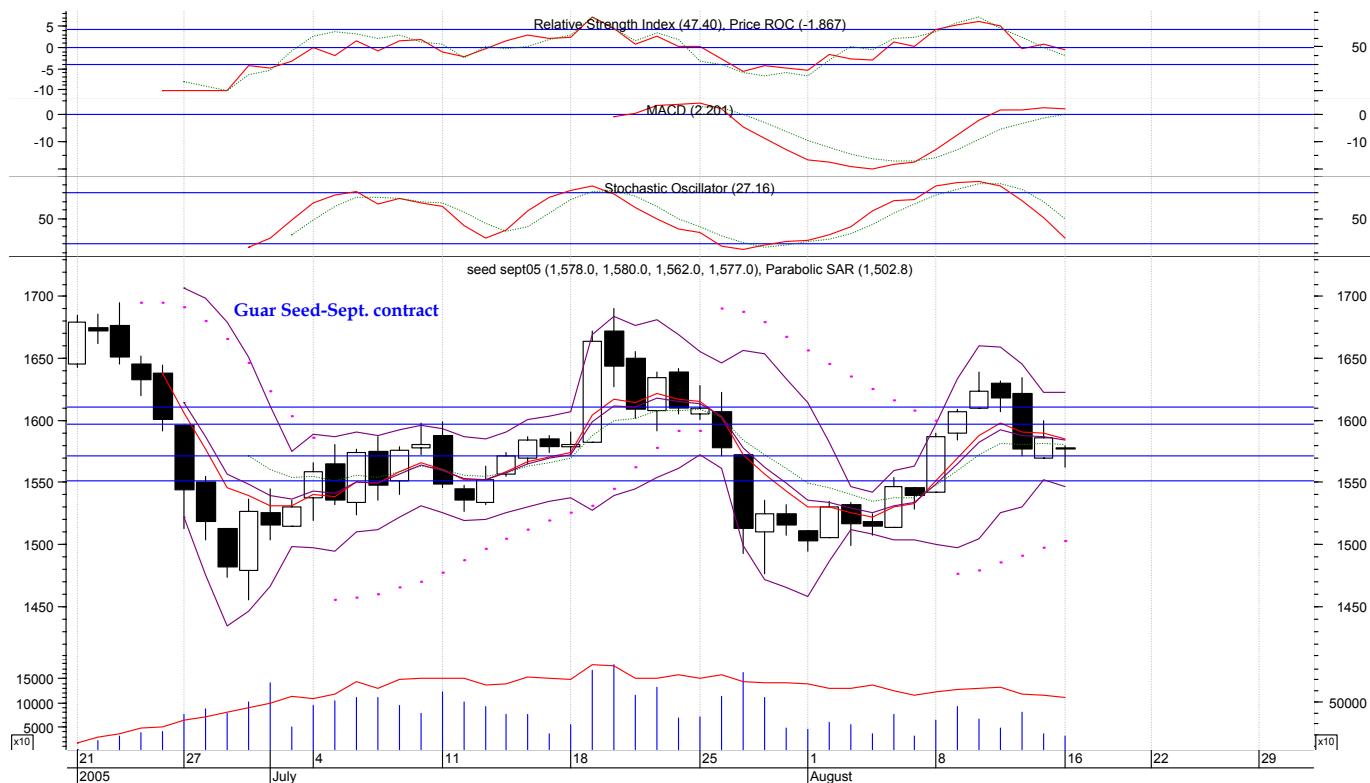
Guar seed future traded range bound and settled slightly weaker. It is expected to open weaker and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open weaker /steady and trade range marginally upward on Wednesday. (Note: in case of any good rains in guar regions of Rajasthan, prices may fall steeply).
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1538	1520	1558	1569
Sept.	1571	1551	1597	1610
Oct.	1594	1573	1624	1641



Commodity: Guar Gum
Perspective: Very Short Term
NCDEX September Contract

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

Stochastic: The stochastic has come down and moving in neutral region, %K line has crossed %D line from above expecting further downward movement.

MACD: The MACD (5-day), is moving upward in negative zone, lying above its EMA and indicating higher prices next day.

Alignment pattern: The alignment pattern of moving average is hinting the price movement towards higher side.

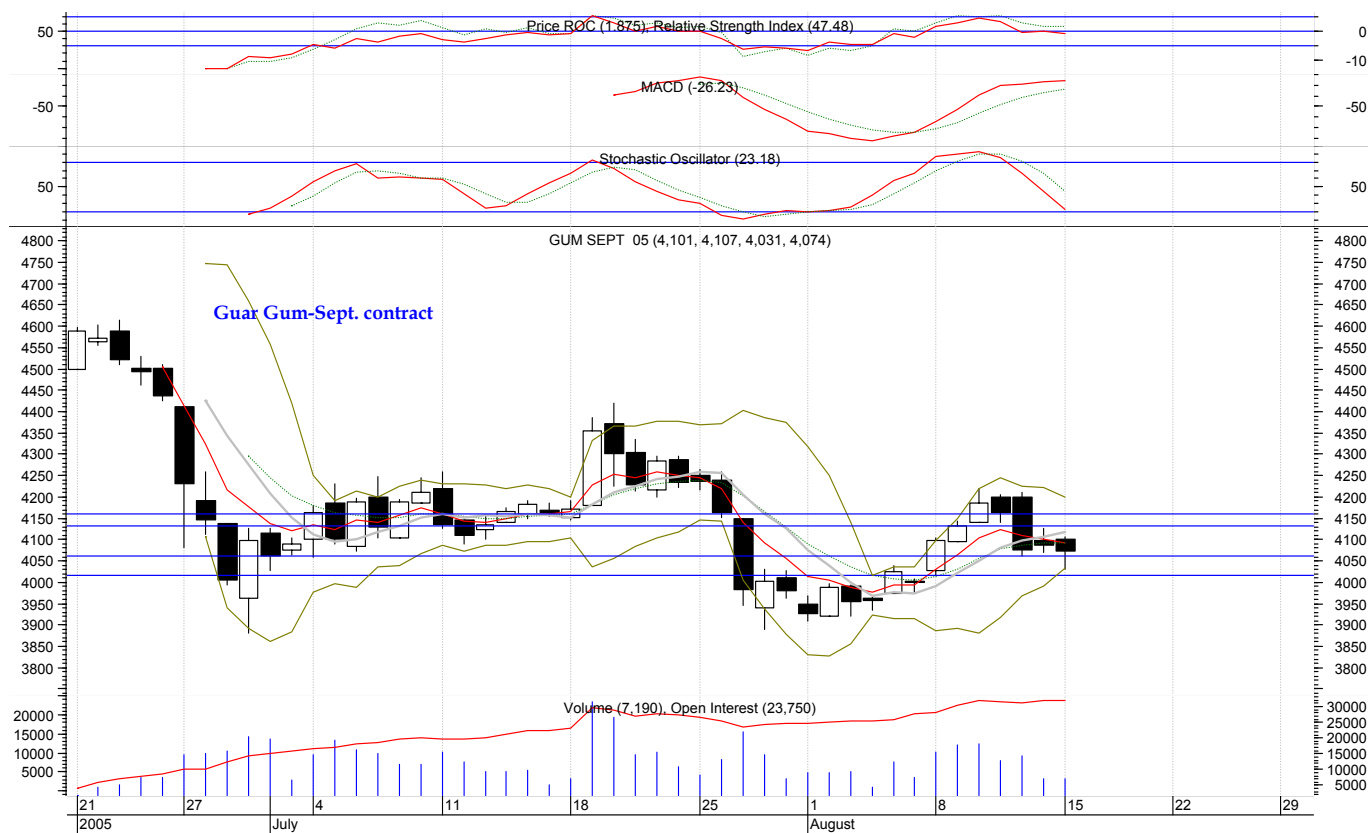
Guar gum traded range bound and settled higher. It is expected to open steady and trade marginally upward on Tuesday.

Market outlook:

- Guar gum is expected to open weaker/steady and trade marginally downward initially and upward thereafter with range bound movements on Wednesday. (Note: in case of any good rains in Guar areas of Rajasthan and Haryana, prices may fall down steeply).
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	3935	3886	3991	4026
Sept.	4060	4016	4132	4161
Oct.	4152	4105	4225	4262



MARKET COMMENTARY OF MAJOR MARKETS

Monsoon revival has started and the effect was seen on the prices of guar seed and gum futures at NCDEX today and they slipped immediately after opening though recovered later on and closed higher. Cash market were not affected much and little fluctuation was witnessed in guar seed prices over there. In Jodhpur market, guar seed was available at around Rs.1580 per quintal for whole day and improved slightly during late evening. In Bikaner market, it was sold at Rs.1520 Per quintal.

Guar gum futures at NCDEX witnessed steep downfall during early morning but traded range bound thereafter throughout the day. Cash markets of guar gum witnessed almost steady prices and it was available at Rs.4075-4100 per quintal in Jodhpur today.

The monsoon is running its way and it has become the crucial time for guar seed as any good rains in guar regions may affect the prices adversely and prices may fall steeply. As per IMD's forecasts, there are bright chances of rains in Haryana, Punjab, Gujarat and eastern Rajasthan but the main thing to be noted is, whether these rains occur in Guari areas of Haryana (viz. Sirsa, Hissar etc.); and Rajasthan (Ganganagar, Hanumangarh etc.) as well as in Guar areas of western Rajasthan or not? The crop of Guar/Guari needs rain at this time and good rains will be beneficial for it. On the other hand, these rains will be detrimental for prices of guar seed and gum as far as immediate effect is concerned. So, keen observation regarding rains in these areas is must before taking any step in guar seed and gum market.

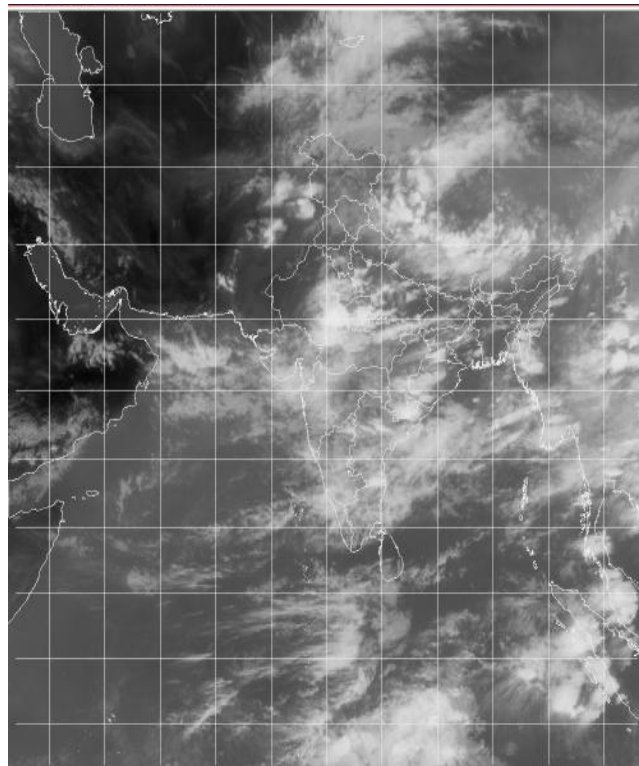
Commodity	Centres	13.08.05	16.08.05	Change
Guar Seed	Bikaner	1525	1520	-5
	Ganganagar	1490	1480	-10
	Jodhpur-B line	1600	1575-85	-15
	Jodhpur-M line	1575	1565	-10
	Nokha	1420	1425	+5
	Alwar	1350	-	
	Khairthal	1350	-	
Guar Gum:		4100-25	4075-4100	-25

Salient points of the day

- Rains in parts of eastern Rajasthan, Haryana and Punjab.
- Cloudy weather in Rajasthan and Haryana and Punjab.
- Guar seed as well as guar gum settled marginally higher.
- Prices are expected to witness marginal upward trade on Wednesday except in the case of rains in guar

areas of Rajasthan and Haryana when prices may fall steeply.

Satellite Image Showing Latest Cloud Cover (IMD-5:30PM)



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	304.5	304.5	305.6	+1.1

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened steady at previous close of 304.5, traded range bound downward initially but recovered later and closed marginally firm at 305.6, up by Rs.5.5 per quintal from previous close.

WEATHER WATCH (16-08-05)

PROGRESS OF MONSOON;

Yesterday's upper air cyclonic circulation over north Orissa and adjoining Jharkhand now lies over Jharkhand and adjoining Chhattisgarh extending upto mid tropospheric levels tilting southwestwards with height. The system is likely to move in a west-northwesterly direction and may cause fairly widespread rainfall with isolated heavy falls over Madhya Pradesh during next 2-3 days. **A fresh upper air cyclonic circulation extending upto 2.1 km a.s.l. lies over central Pakistan and neighbourhood. Another fresh upper air cyclonic circulation extending between 2.1 & 4.5 km**

a.s.l. lies over Gujarat & neighbourhood. Yesterday's upper air cyclonic circulation over Jammu & Kashmir and neighbourhood has moved away eastwards. The axis of monsoon trough at sea level passes through Ferozepur, Delhi, Banda, Jharsuguda and thence southwards into central Bay of Bengal. Under this scenario, scattered to fairly widespread rainfall activity is also likely over Punjab, Haryana, Delhi, Uttaranchal, Himachal Pradesh, Jammu and Kashmir and West Uttar Pradesh. Southwest monsoon was vigorous over Jammu & Kashmir and active over Uttaranchal, Himachal Pradesh, east Madhya Pradesh, Chhattisgarh, Telangana and South Interior Karnataka. Rain/ thundershowers occurred at most places over Andaman & Nicobar Islands, sub-Himalayan West Bengal & Sikkim, east Uttar Pradesh, Konkan & Goa, coastal Karnataka and Kerala; at many places over Arunachal Pradesh, Assam & Meghalaya, Orissa, Jharkhand, west Uttar Pradesh, coastal Andhra Pradesh, Rayalaseema and north interior Karnataka and at a few places over Gangetic West Bengal, Bihar, West Madhya Pradesh, Haryana, Chandigarh & Delhi, Punjab, east Rajasthan, madhya Maharashtra, Marathwada and Vidarbha. It was isolated over the rest regions of the country outside west Rajasthan, Saurashtra & Kutch and Lakshadweep where weather was mainly dry.

Zone Wise Rainfall Forecast

North & North-West India: [J&K, HP, Uttranchal, Punjab, Haryana, Delhi, West UP]

Due to ongoing interaction of existing Western Disturbance with the monsoon easterlies, scattered to fairly widespread rains are expected over the region during next 2-3 days.

East and NE India: [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE states]

Scattered to fairly widespread rains with isolated heavy falls are likely over most parts of the region during next 2-3 days.

Central India: [MP, Chattisgarh, Vidarbha]

Under the influence of west-northwestward moving cyclonic circulation, Chattisgarh, Madhya Pradesh and Vidarbha are likely to receive fairly wide spread to widespread rains with isolated heavy falls during next 2-3 days.

South India: [TamilNadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Coastal Andhra Pradesh, Telangana and coastal Karnataka are likely to receive fairly widespread rains during next 3 days. Scattered rains are expected over rest areas except over south Tamilnadu where isolated rains are expected during next 3-4 days.

West India: [Maharashtra other than Vidarbha, Gujarat, Rajasthan]

Scattered to fairly widespread rains are expected over Konkan & Goa, madhya Maharashtra and Gujarat; and scattered rains over rest areas except west Rajasthan where isolated rains are likely during next 3 days.

Source: GOI

EXCHANGE RATE

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.54
European Union	Euro	53.80
United Kingdom	GBP	78.74
Japan	100 Yen	39.83

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