

## GUAR SEED and GUAR GUM

August 09, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded steady
- Guar vayda settled marginally higher

### TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: Very Short Term  
NCDEX September Contract

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

**Stochastic:** The stochastic has turned towards downward; %K line is lying above the %D line in the overbought region, but now started moving downward, indicating towards possibility of technical correction towards lower side.

**MACD:** The MACD (5-day), after crossing its EMA from below, is moving upward, hinting further strength in prices.

**Alignment pattern:** The alignment pattern of moving averages is confirming the upward price movement.

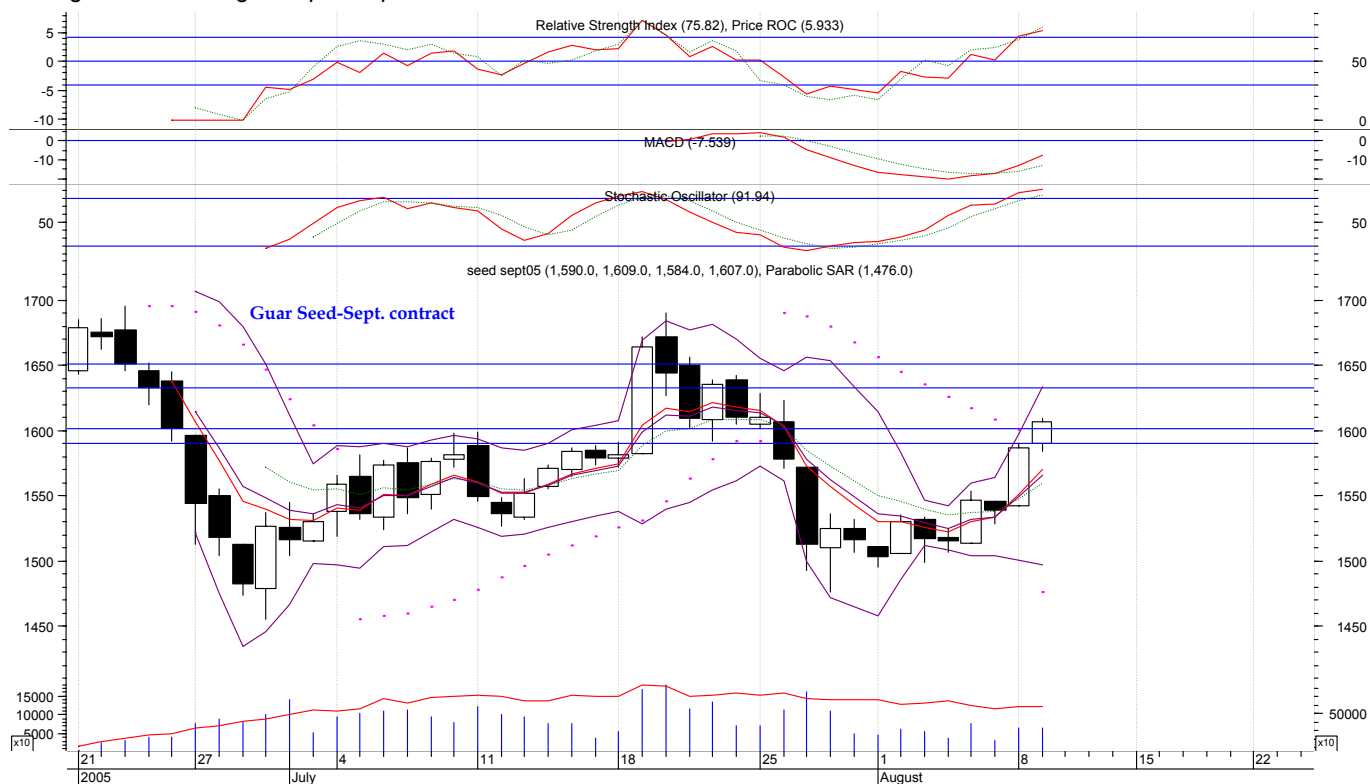
Guar seed future traded range bound and settled marginally higher. It is expected to open steady and trade range bound upward next day.

### Market outlook:

- Guar seed prices are expected to open firm and trade range bound initially and steep upward thereafter on Wednesday.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1570	1562	1592	1612
Sept.	1601	1590	1633	1651
Oct.	1624	1611	1654	1673



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

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

**Stochastic:** The stochastic has reached in overbought region, %K is lying above %D line but now slightly tilted towards downward, indicating towards possibility of technical correction.

**MACD:** The MACD (5-day), is moving upward in negative zone and lying above its EMA, hinting the firmness yet.

**Alignment pattern:** The alignment pattern of moving average is confirming the higher price movement.

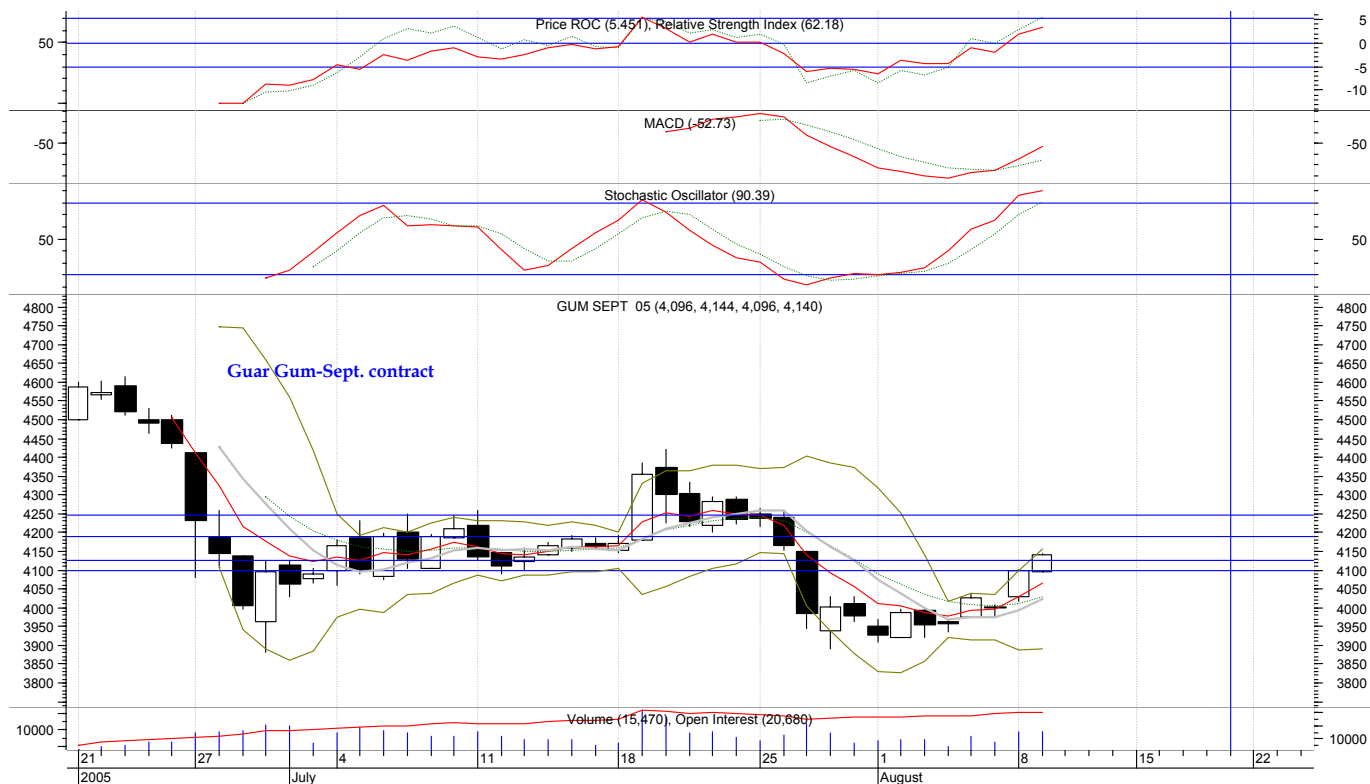
Guar gum traded upward initially and range bound thereafter during whole day. It is expected to open steady and trade upward tomorrow.

#### Market outlook:

- Guar gum is expected to open firm and trade range bound initially and steep upward thereafter on Wednesday.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	4025	4000	4081	4136
Sept.	4125	4099	4190	4245
Oct.	4211	4187	4275	4324



## MARKET COMMENTARY OF MAJOR MARKETS

Continued clear and dry weather in Rajasthan and Haryana supported the bulls today also and they succeeded keeping guar seed futures at NCDEX towards higher limits. Though the cash markets did not witness much fluctuation today and prices of guar seed traded almost steady to marginally firm over there. Bikaner line 98% whitish guar seed witnessed the price near to Rs.1600 per quintal in Jodhpur market during whole day but improved marginally and was asked for Rs.1610-15 per quintal towards late evening. Bikaner market improved slightly to Rs.1535 per quintal. Other markets witnessed marginal firmness in the prices.

Guar gum futures at NCDEX continued the speculative upward trade today also. Cash markets also traded marginally upward and guar gum was available at a price of Rs.4100-25 per quintal in Jodhpur during late evening today.

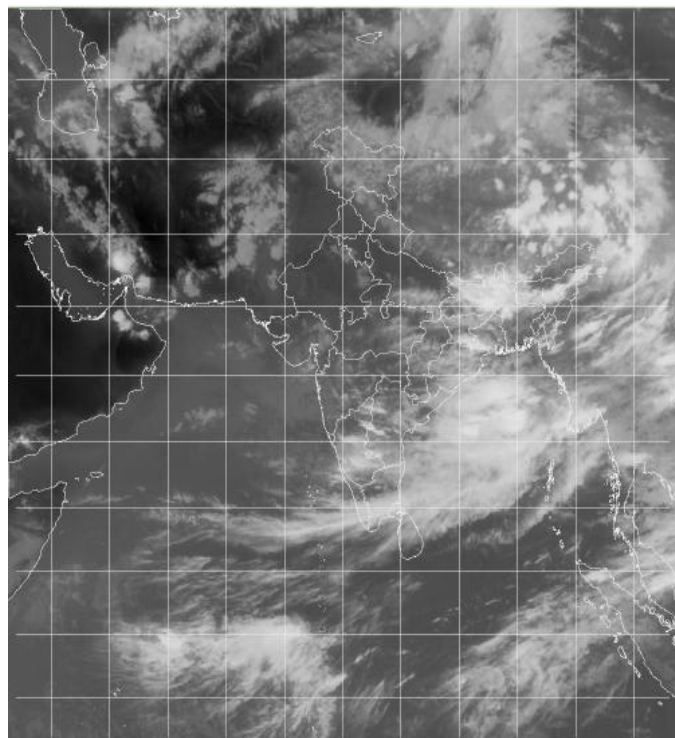
Dry weather conditions in western and northwest India prevails today also that catalysed the upward movement in price of guar seed and gum. According to the weather forecasts, this type of dry conditions will prevail for next 3-4 days also, this is clearly hinting towards further bullish moves and market **may witness steep upward shift within next two days.**

Commodity	Centres	08.08.05	09.08.05	Change
	Bikaner	1515	1535	+20
	Ganganagar	1470	1500	+30
Guar Seed	Jodhpur-B line	1600	1610	+10
	Jodhpur-M line	1560	1575	+15
	Nokha	1410	1420	+10
	Alwar	1535	1370	+35
	Khairthal	1345	1370	+25
Guar Gum:		4050-75	4100-25	+50

### Salient points of the day

- Clear weather in Rajasthan and Haryana and Punjab.
- The rainfall activity over plains of North-west India viz., Punjab, Haryana and west Uttar Pradesh may be quiet during next 3-4 days. (IMD)
- Guar seed as well as guar gum witnessed range bound trade through out day, which finished slightly higher at the end.
- **Prices are expected to witness steep upward trade tomorrow.**

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



### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	305	306.1	308.6	3.6

#### Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm at 306.1 traded upward initially in the morning and range bound thereafter throughout the day before it finished the day at 308.6, marginally up by Rs.18 per quintal from previous close.

### WEATHER WATCH (09-08-05)

#### PROGRESS OF MONSOON;

Yesterday's cyclonic circulation over Bangladesh and adjoining northeastern States now lies over northeastern States and extends upto 3.1 km above sea level. The upper air cyclonic circulation between 3.6 & 5.8 km above sea level over northwest Bay of Bengal off Orissa- West Bengal coast persists. The axis of the monsoon trough at sea level lies close to the foothills of Himalayas. Under this scenario, the weak monsoon condition may continue for another 2-3 days with widespread rainfall activity over Northeastern states and West Bengal & Sikkim and subdued rainfall activity over central India and adjoining peninsular India. As the monsoon trough remains close to foothills of Himalayas, the rainfall activity over plains of North-west

India viz., Punjab, Haryana and west Uttar Pradesh may also be subdued during next 3-4 days. The model prediction suggests in-situ formation of a cyclonic circulation around 12th August, 2005 leading to possible revival of monsoon over the central and peninsular India. Under its influence, the rainfall activity over Orissa, Chhattisgarh, east Madhya Pradesh and parts of Jharkhand and Vidarbha is expected to enhance thereafter. The off-shore trough now runs off Konkan coast and is likely to cause fairly widespread rains with isolated heavy falls over Konkan & Goa during next 2 days which may increase after 12 August, 2005 with the formation of a cyclonic circulation.

#### **Zone Wise Rainfall Forecast**

##### **North & North-West India:**

Isolated rainfall activity is likely over the plains of north and northwest India during next 2-3 days. Himachal Pradesh and Uttranchal are expected to receive scattered rains for the above period.

##### **East and NE India:**

West Bengal & Sikkim and NE states are likely to receive fairly widespread to widespread rains with isolated heavy falls during next 2 days. Remaining parts of East India are likely to receive scattered rains during this period. The rainfall activity over Orissa and Jharkhand is likely to enhance beginning from 12th August, 2005.

##### **Central India:**

Chattisgarh, Madhya Pradesh and Vidarbha are likely to receive scattered rains during next 2-3 days. Subsequently, rainfall activity likely to increase in these areas.

##### **South India:**

Coastal Karnataka, north Kerala and coastal Andhra Pradesh are likely to receive scattered to fairly widespread rainfall activity during next 2-3 days. Rest areas of the region are likely to receive isolated to scattered rains during this period.

##### **West India:**

Konkan & Goa may receive fairly widespread rains with isolated heavy falls during next 2-3 days. Rest areas of the region are likely to receive isolated to scattered rains during this period.

**Source: GOI**

#### **EXCHANGE RATE**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
European Union	Euro	53.99
United Kingdom	GBP	77.86
Japan	100 Yen	38.97

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