

GUAR SEED and GUAR GUM

August 05, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded upward
- Guar vayda witnessed firm trade and settled higher

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: Very Short Term
NCDEX September Contract

Candlestick: Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Saturday.

Stochastic: The stochastic is moving towards overbought line, %K line is moving upward and lying above the %D line, indicating the strength in prices yet.

MACD: The MACD (5-day) has changed its curvature and started moving downward, though still lying below its EMA, hinting weaker strength.

Alignment pattern: The alignment pattern of moving averages is not confirming the higher movement in the prices.

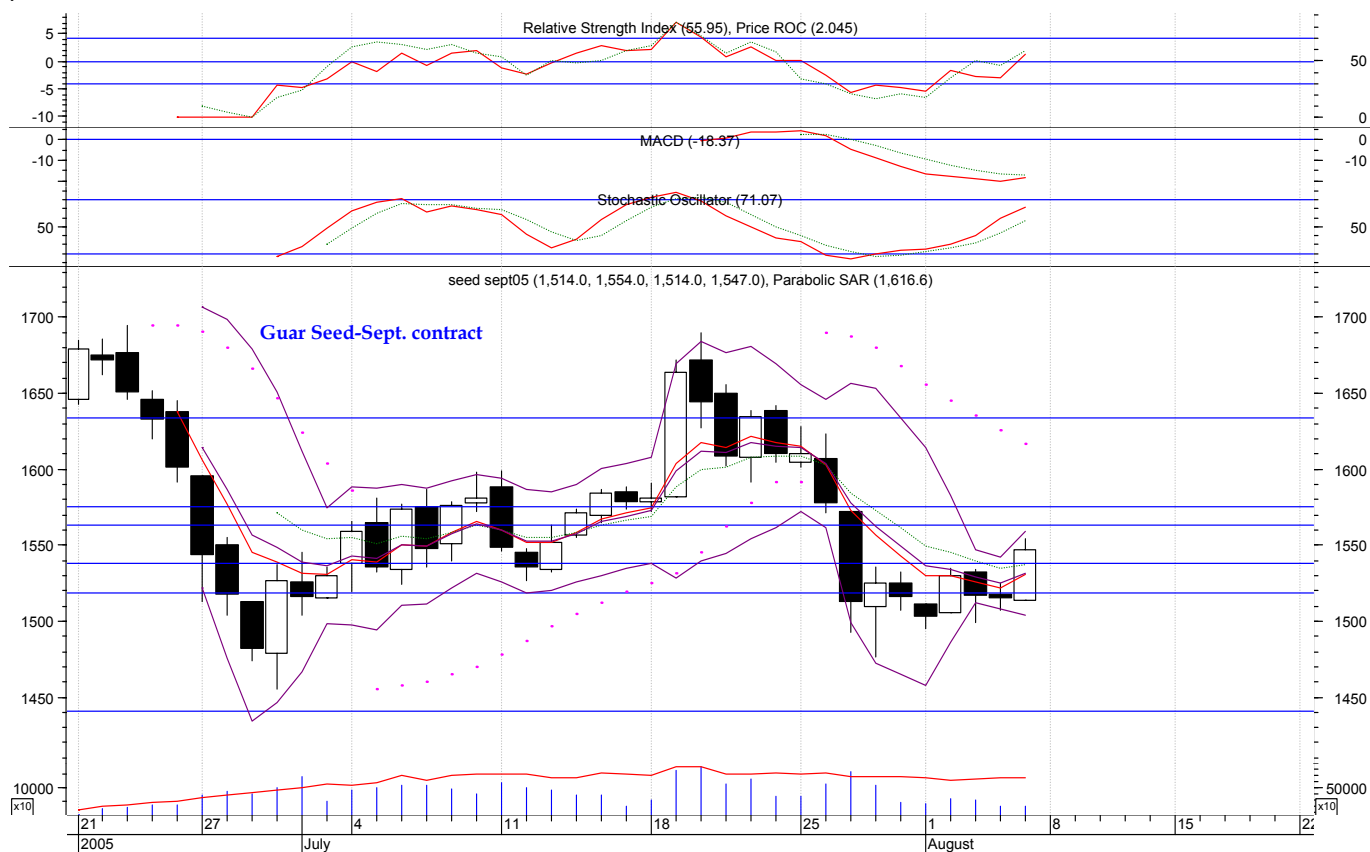
Guar seed future traded upward and closed firm. It is expected to open steady and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open steady and trade range bound upward on Saturday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1512	1498	1532	1540
Sept.	1538	1518	1563	1575
Oct.	1556	1535	1583	1599



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

Candlestick: Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Saturday.

Stochastic: The stochastic has taken steep upward movement today, %K is lying above %D line and moving upward, hinting the higher prices next day.

MACD: The MACD (5-day), today started moving upward in negative zone and lying below its EMA, still hinting weaker strength in the market.

Alignment pattern: The alignment pattern of moving average is not giving any clear-cut signal.

Guar gum traded upward and finished higher than previous close. It is expected to open firm and trade range bound upward on Saturday.

Market outlook:

- Guar gum is expected to open firm/steady and trade range bound marginally upward on Saturday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	3911	3884	3965	3991
Sept.	4000	3976	4061	4091
Oct.	4075		4141	



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded speculative but this time with the reverse sentiments. It traded upward amid the changed wind direction in western Rajasthan and cash markets followed the futures in moving higher. In Jodhpur market, Bikaner line 98% whitish guar seed jumped up and was asked at Rs.1560-75 per quintal. In Bikaner market, guar seed traded firm and was sold at Rs.1450 per quintal. All other markets of guar seed witnessed higher ground today amid rising futures.

Guar gum vayda at NCDEX witnessed higher ground today for almost whole day. Following this, guar gum in cash markets also moved higher and was available at Rs.3975-4000 per quintal in Jodhpur market today.

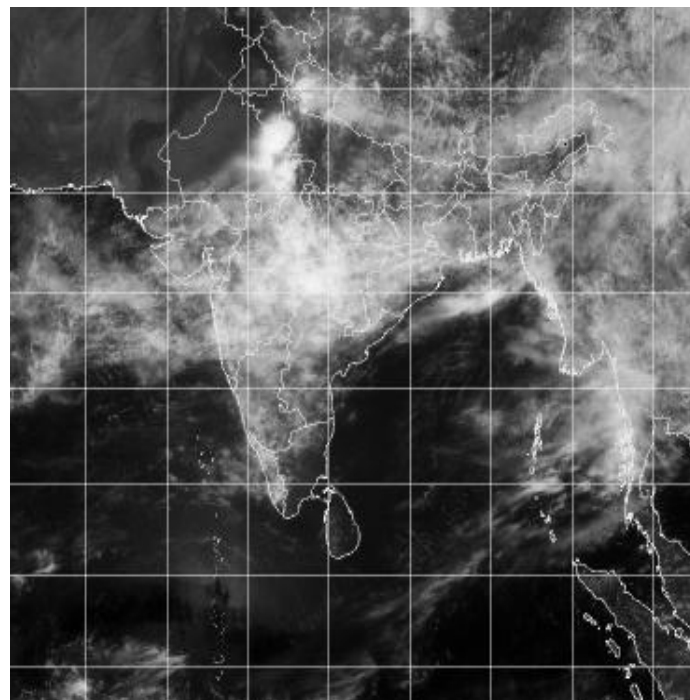
It was the change in the wind direction and clear sky in western Rajasthan during day today, which changed the trader's sentiments that the wind will not allow the rains in western Rajasthan for next few days. It rained in Barmer last night and the rumour arose in the market that the rains last night, destroyed the guar seeding, which was just sown in the area during last few days. All these situations helped the prices to move up and still there are chances to move slightly more but it may not sustain for long period due to lack of strength in the market. Prices are expected to start coming down within 2-3 days.

Commodity	Centres	04.08.05	05.08.05	Change
Guar Seed	Bikaner	1430	1450	+20
	Ganganagar	1410	1430	+20
	Jodhpur-B line	1525	1550-70	+45
	Jodhpur-M line	1500	1525-40	+40
	Nokha	1365	1380	+15
	Alwar	1300	1325	+25
	Khairthal	1300	1325	+25
Guar Gum:		3900	3975-4000	+100

Salient points of the day

- Clear weather in western Rajasthan during day where as it rained today in parts of Delhi and Haryana.
- Guar seed as well as guar gum witnessed upward moves almost during whole day.
- Prices are expected to witness marginal upward trade with range bound movements tomorrow also.

Satellite Image Showing Latest Cloud Cover in Bay of Bengal (IMD-5:30PM)



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	292.9	296.5	297.7	+4.6

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm at 296.5 and witnessed upward trade through out the day in the range of 298-5-296.5 and closed also firm at 297.7, up by Rs.23 per quintal from previous close.

WEATHER WATCH (05-08-05)

PROGRESS OF MONSOON;

Yesterday's well marked low pressure area over north Chhattisgarh & adjoining Jharkhand remained practically stationary and has weakened into a low pressure area. Associated upper air cyclonic circulation extends upto mid-tropospheric levels. The upper air cyclonic circulation over southwest Rajasthan & neighbourhood has become less marked. The off-shore trough now lies off Karnataka-Kerala coast and the westerly flow along the west coast continues to be strong. The axis of the monsoon trough at sea level passes through Ganganagar, Karnal, Kanpur, centre of low-pressure area, Kolkata and thence east-southeastwards to northeast Bay of Bengal. Southwest monsoon has been

vigorous over Chhattisgarh and active over Arunachal Pradesh, Haryana, Punjab, Himachal Pradesh, Telangana and Coastal Karnataka. Rain/thundershowers occurred at most places over Andaman & Nicobar Islands, Madhya Maharashtra, Konkan & Goa and Kerala; at many places over Assam & Meghalaya, Orissa, East Madhya Pradesh, Jharkhand, Uttaranchal, Jammu & Kashmir, East Rajasthan, Gujarat Region, Vidarbha and Lakshadweep and at a few places over Nagaland, Manipur, Mizoram & Tripura, West Bengal & Sikkim, Bihar, West Rajasthan, West Madhya Pradesh, Marathwada, Coastal Andhra Pradesh and interior Karnataka. It was isolated over the rest regions of the country outside Rayalaseema where weather was mainly dry.

Weather Forecast for next 3 days

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, northeastern States, West Bengal & Sikkim, Orissa, Jharkhand, Madhya Pradesh, Uttar Pradesh, Uttaranchal, Haryana, Punjab, Himachal Pradesh, Jammu region of Jammu & Kashmir, East Rajasthan, Gujarat Region, Maharashtra & Goa, Telangana, Coastal & North Interior Karnataka and Kerala and at a few places over the rest regions of the country

outside Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

Heavy Rainfall Warning

Isolated heavy rainfall likely over Orissa, Madhya Pradesh, Chhattisgarh, Maharashtra & Goa, Himachal Pradesh, Uttaranchal, Haryana and East Rajasthan.

Outlook For Next Two Days

Increase in rainfall activity likely over Western Himalayan Region and Gangetic plains.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
European Union	Euro	53.80
United Kingdom	GBP	77.31
Japan	100 Yen	38.98

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