

## GUAR SEED and GUAR GUM

August 26, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum jumped steeply
- Guar vayda soared again

### 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 has again turned towards overbought region; % -K line is lying above % -D line, hinting slight firmness but downward technical correction may take place soon.

**MACD:** The MACD (5-day) is steeply moving upward above its EMA in positive zone, expecting higher moves.

**Alignment pattern:** The alignment pattern of moving averages is indicating the upward market tomorrow.

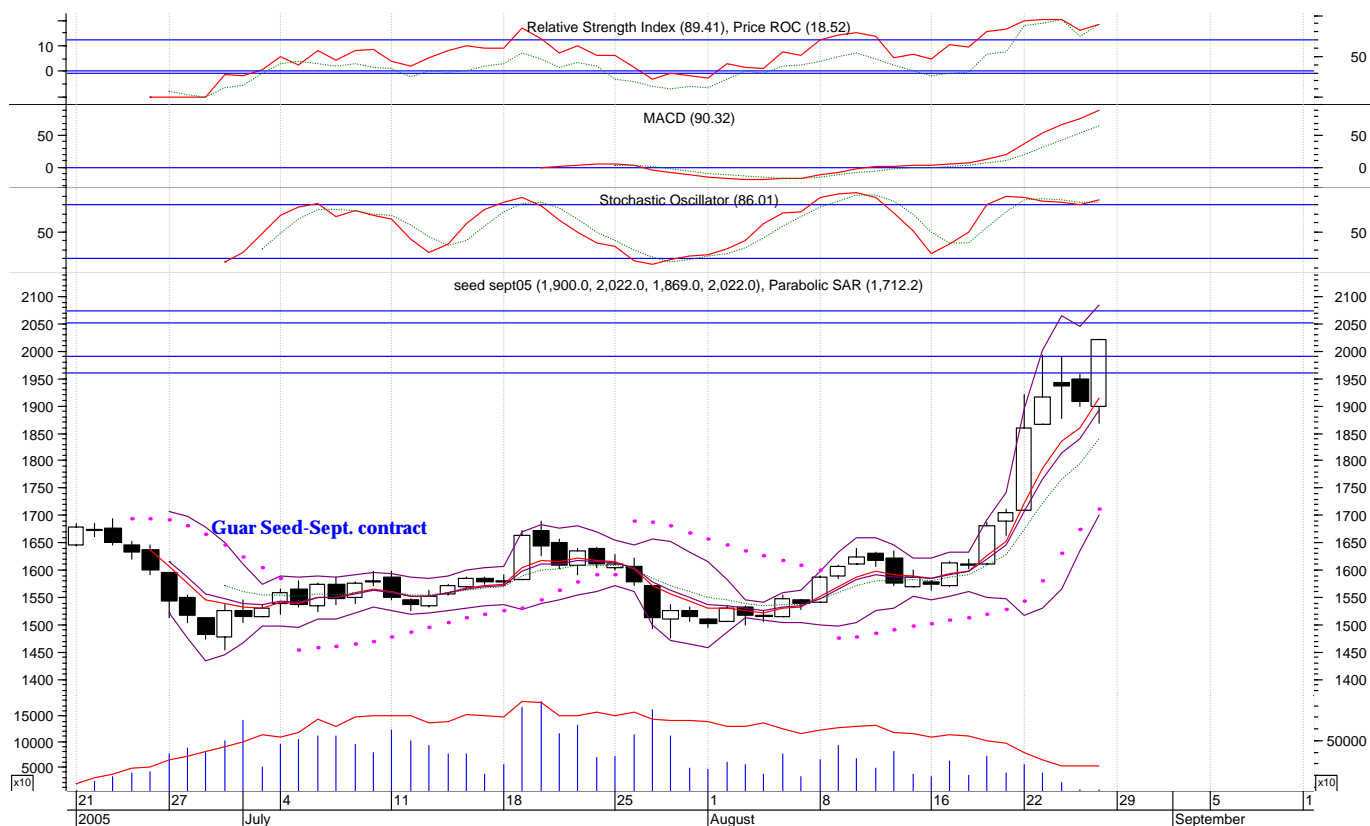
Guar seed future traded steep upward and ended much firm. It is expected to open firm and trade range bound next day.

### Market outlook:

- Guar seed prices are expected to open firm and trade range bound, upward initially and downward thereafter on Saturday. There might be high fluctuation in tomorrow's trade.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1991	1961	2052	2075
Oct.	2049	2011	2127	2151



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 is turning up again in overbought zone, %K line is lying above the %D line and expecting the firmness tomorrow.

**MACD:** The MACD (5-day), is still moving upward and lying above its EMA, hinting towards firm moves.

**Alignment pattern:** The alignment pattern of moving average is hinting towards the higher prices.

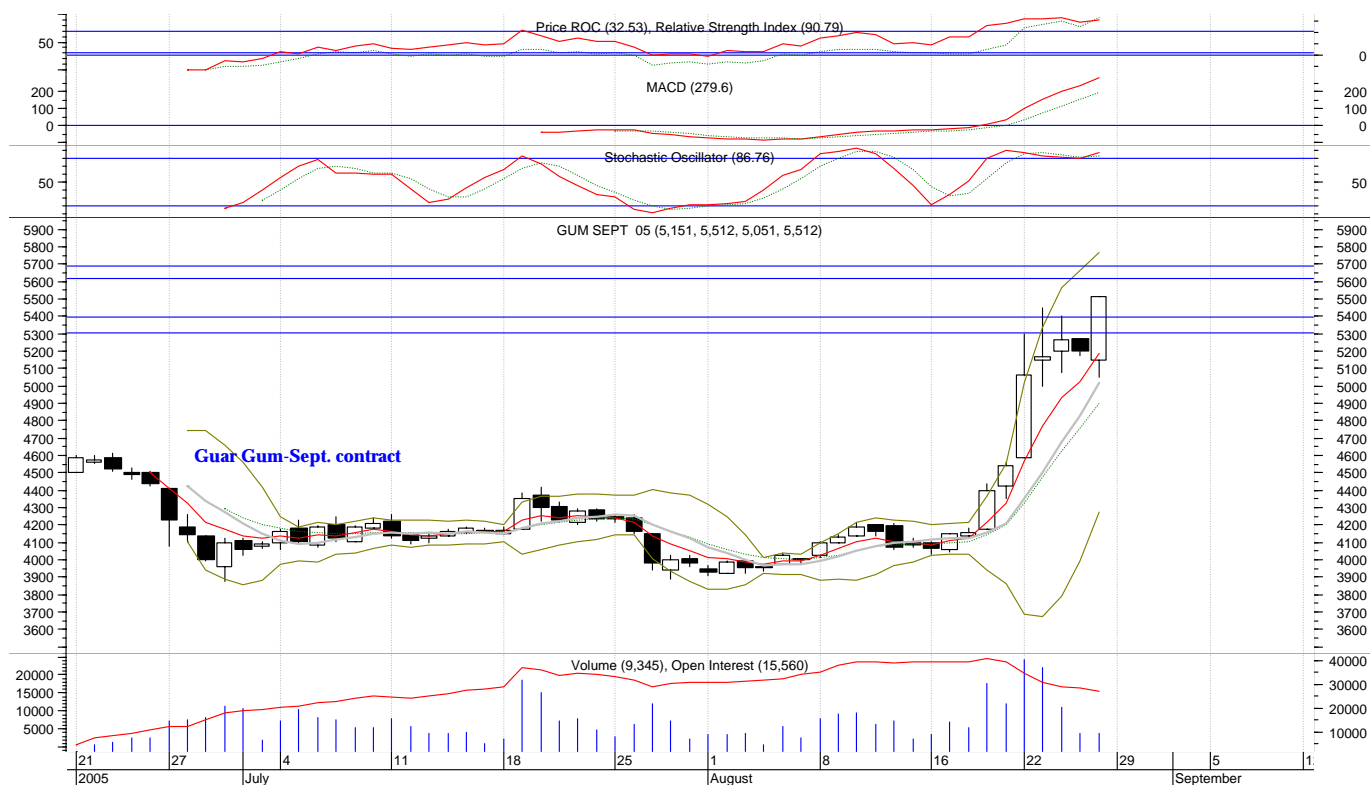
Guar gum traded steep upward and finished higher. It is expected to open very high and trade range bound on Saturday.

#### Market outlook:

- Guar gum is expected to open much higher and trade steep upward initially and downward thereafter on Saturday. Large fluctuation is expected tomorrow.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	5396	5304	5621	5688
Oct.	5525	5450	5763	5819



## MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX opened with weaker undertone and started moving downward but turned back and jumped so high that there were no buyers at the end and it witnessed circuit today. Guar seed cash markets also followed the same amid activeness of stockists and prices jumped up. Guar seed was available at Rs.2000-25 per quintal in Jodhpur market today evening. Bikaner market witnessed the price of Rs.1950-75 per quintal. Other markets also soared.

Guar gum futures at NCDEX witnesses steep upward trade after initial bearish move today morning. Guar gum was sold upto Rs.5500 per quintal today evening in Jodhpur which was available at Rs.5100 per quintal today morning.

The market of guar seed and gum was in so hurry that it did not wait any more to go up. Today prices of guar seed and guar gum soared and reached to new high of the year. Last year in the year 2004, the highest prices of guar seed for October-04 contract reached on September 9, 2004 that was Rs.2171 per quintal and for November-04 contract, it was Rs.2247 per quintal where as in case of Guar Gum, the high of October-04 was Rs.6250 and for November-04 contract, it was Rs.6384 per quintal. This year again people are expecting the same or more than that but these are very high prices and prices will fluctuate vary much during coming few days as profit booking will be witnessed at each and every step at these higher prices. Fundamentals are still bullish and prices may touch a new high within coming 3-4 days.

Commodity	Centres	25.08.05	26.08.05	Change
	Bikaner	1850	1950	+100
	Ganganagar	1825	1925	+100
Guar Seed	Jodhpur-B line	1900	2000	+100
	Jodhpur-M line	1870	1970	+100
Guar Gum:		5175	5500	+325

### Sallient points of the day

- Guar seed as well as guar gum soared again.
- Subdued rainfall activity is expected over NW regions of the country during next 3-4 days.
- An upper air cyclonic circulation has formed over central parts of Bay of Bengal in the mid tropospheric levels. This is likely to cause scattered to fairly widespread rainfall over the south peninsula.
- Prices are expected to witness steep upward initially and downward later on for tomorrow.

## Bikaner Guar *Vayda*

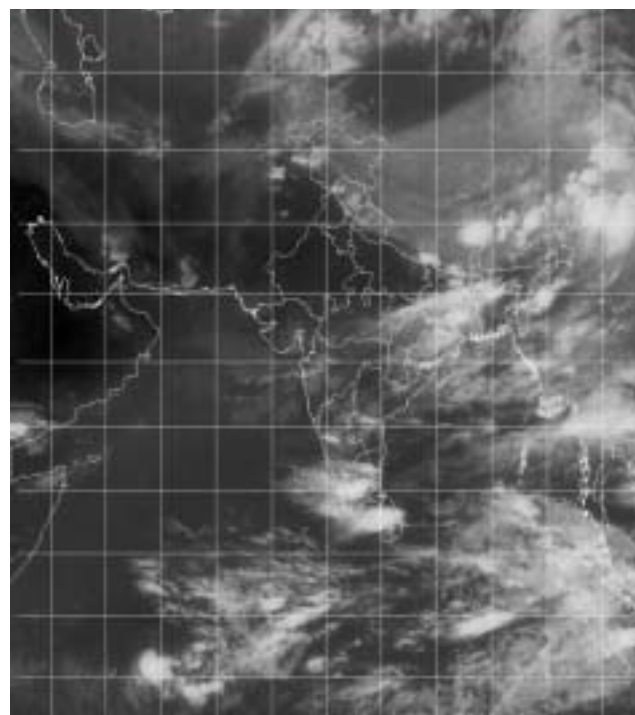
### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	345.2	344	349.5	+4.3

### Price movements at Bikaner Vayda

Bikaner September guar vayda today opened weaker at 344 and witnessed marginally downward trade initially and jumped steeply thereafter and closed at 349.5, higher by Rs.21.5 from previous close.

### Satellite Image Showing Latest Cloud Cover (IMD, 6:30PM)



## WEATHER WATCH (26-08-05)

### PROGRESS OF MONSOON;

The monsoon trough continues to lie close to the foothills of Himalayas. The north-south trough from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal has become less marked. Under this scenario, enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal & Sikkim and north Bihar is likely to continue for another 2 days whereas, the subdued rainfall activity may continue over northwest, central India and north peninsula. An upper air cyclonic circulation has formed over central parts of Bay of Bengal in the mid tropospheric levels. This is likely to cause scattered to fairly widespread rainfall over the south peninsula. The off shore trough off Karnataka-Kerala coasts has become less marked. Southwest monsoon was active over Arunachal Pradesh, Bihar and Tamil Nadu & Pondicherry. Rain/ thundershowers occurred at most places over Sub-Himalayan West Bengal & Sikkim

and Coastal Karnataka; at many places over Assam & Meghalaya and Konkan & Goa at a few places over Nagaland, Manipur, Mizoram & Tripura, Gangetic West Bengal, East Uttar Pradesh, Gujarat Region, Coastal Andhra Pradesh, Rayalaseema, interior Karnataka and Lakshadweep. . It was isolated over rest regions of the country outside Jharkhand, West Uttar Pradesh, Haryana, Punjab, Himachal Pradesh, Rajasthan, West Madhya Pradesh and Chhattisgarh where weather was mainly dry.

#### Zone Wise Rainfall Forecast

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

Mainly dry weather is likely to prevail over most parts of the region except hilly areas where isolated rains are expected.

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

Fairly widespread rainfall activity with isolated heavy showers are likely continue over North Bihar, sub-Himalayan West Bengal & Sikkim, and NE States during next 3-4 days.

**Central India:** [ MP, Chattisgarh, Vidarbha]

Isolated rainfall activity is likely over entire region for next 2-3 days.

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

Scattered rainfall activity is expected over SE Peninsular India viz. Tamilnadu, South Coastal Andhra Pradesh, South Interior Karnataka and parts of Rayalaseema during next 2-

3 days. Isolated rainfall is expected over remaining parts of the region for the above period.

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

Isolated to Scattered rains are expected over the Gujarat region, SE Rajasthan, North Konkan & Goa, Marathawada and Madhya Maharashtra during next 2 days. The activity is likely to reduce thereafter. Remaining parts of Rajasthan and Saurashtra & Kutch are likely to experience mainly dry weather condition during next 3-4 days.

**Source:** GOI (IMD & NCMRWF)

#### EXCHANGE RATE

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.73
European Union	Euro	53.82
United Kingdom	GBP	78.86
Japan	100 Yen	39.72

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