

## GUAR SEED and GUAR GUM

August 24, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed slipped marginally and gum recovered during late evening
- Guar vayda witnessed range bound upward trade

### 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 Thursday.

**Stochastic:** The stochastic is moving in overbought region; %K line crossed %D line from above, indicating towards downward technical correction tomorrow.

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

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

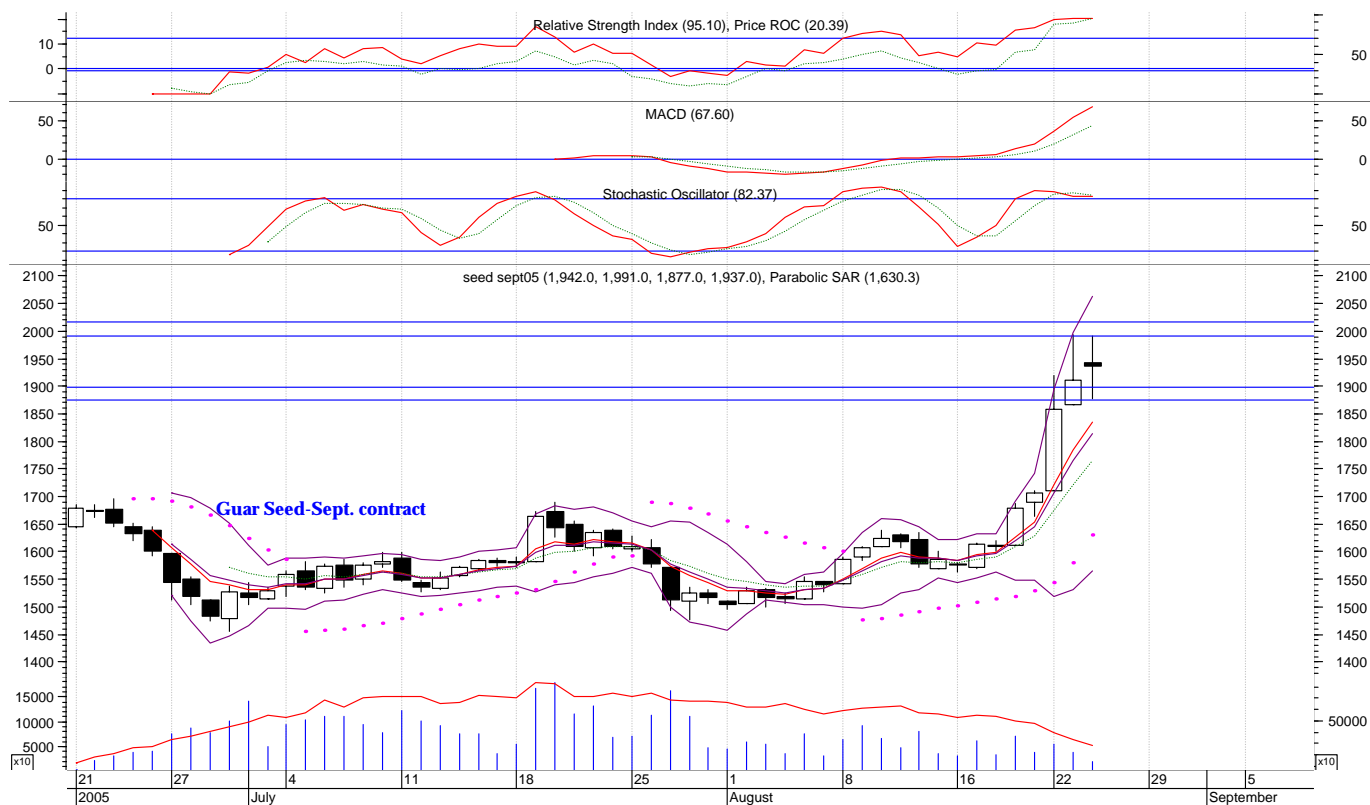
Guar seed future traded range bound and ended slightly higher. It is expected to open firm and trade range bound next day.

### Market outlook:

- Guar seed prices are expected to open firm and trade range bound upward initially and marginally downward thereafter on Thursday. Fundamentals are still bullish and there will be firmness in prices during this month.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1899	1876	1991	2017
Oct.	1942	1919	2048	2078



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

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

**Stochastic:** The stochastic is turning down in overbought zone, %K line has crossed the %D line from above and expecting the downward technical correction tomorrow.

**MACD:** The MACD (5-day), is steeply moving upward and lying above its EMA, hinting towards further higher movements.

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

Guar gum traded range bound upward and settled slightly higher. It is expected to open firm and trade range bound on Thursday.

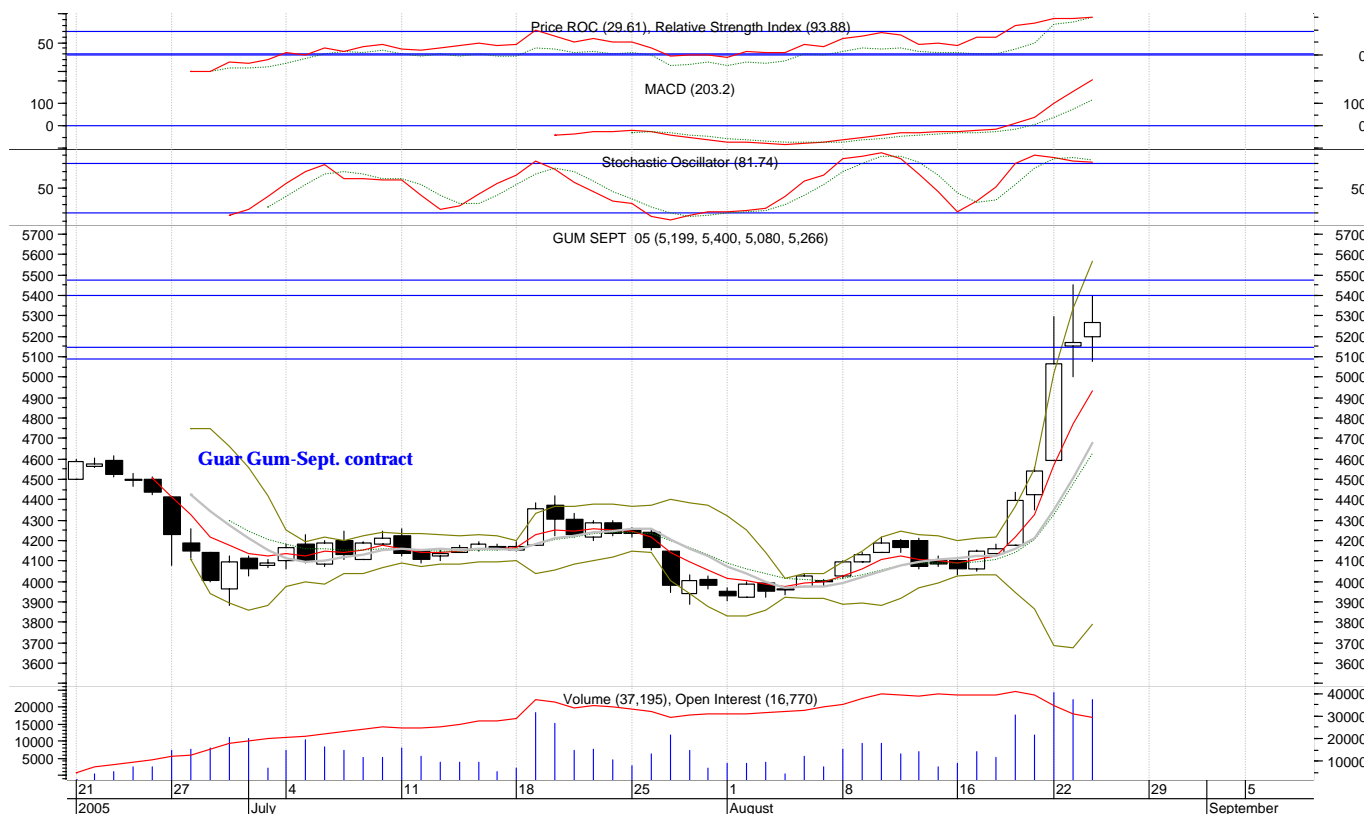
#### Market outlook:

- Guar gum is expected to open firm and trade upward initially and downward thereafter with range bound movements on Thursday. Market sentiments are still bullish and prices have to go up again during this month unless there is any news of rains affecting W. Rajasthan.

- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	5147	5088	5402	5475
Oct.	5261	5192	5572	5651



## MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures continued their momentum today also though they could not go beyond last day's high and came steeply down also once during the day but again slid up and closed slightly higher than previous close. Physical markets traded in narrow width and Bikaner line 98% whitish guar seed was priced in between Rs.1900-1950 per quintal during day and was available at Rs.1900 per quintal during evening. Bikaner market also slipped marginally and guar seed was sold at Rs.1850 per quintal today.

Guar gum at NCDEX traded in a wide range and following this, price of guar gum witnessed the range of Rs.5100-5350 per quintal during whole day in Jodhpur cash market. Guar gum started climbing up during late evening today in physical markets.

The sentiment in physical markets are still firm and even if they slip slightly for the time being, will move up again within this month. The only threat to rising prices are the news of rains which may affect the western Rajasthan. According to forecasts from various agencies, the weather will remain dry for the region for next 3-4 days and under this scenario, prices will move higher during coming days.

Note: A new cyclonic circulation is likely to form over NW Bay of Bengal and adjoining Orissa and Gangetic West Bengal around 26<sup>th</sup> August, 2005 which may lead to the reduction of rainfall activity over East UP, sub-Himalayan West Bengal & Sikkim and **Increase in rainfall activity over MP, Chattisgarh, Orissa and Coastal Andhra Pradesh.(GOI)**

Commodity	Centres	23.08.05	24.08.05	Change
	Bikaner	1875	1850	-25
	Ganganagar	1810	1800	-10
Guar Seed	Jodhpur-B line	1950	1925	-25
	Jodhpur-M line	1920	1890	-30
Guar Gum:		5125	5250	+125

### Sallient points of the day

- Guar seed as well as guar gum continued moving upward though in range bound.
- Activeness of stockists and short term profit makers in various physical and future markets of guar seed and guar gum.
- Clear weather in western Rajasthan. Subdued rainfall activity is likely to continue over northwest & westcentral India. Slight increase in rainfall activity over south Peninsula and Lakshadweep.
- Prices are expected to witness range bound upward trade initially tomorrow.

- The monsoon is likely to be in weak phase over NW India for next 2-3 days.

### Bikaner Guar Vayda

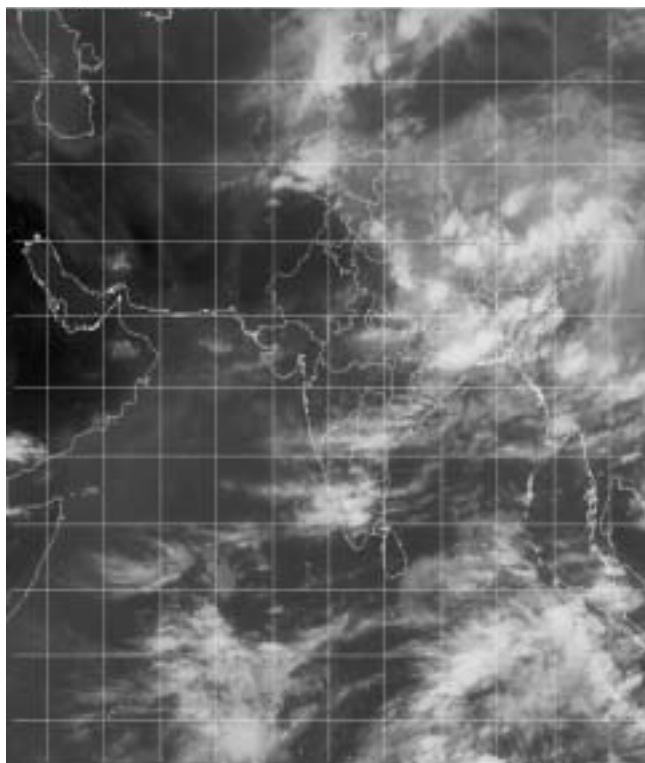
#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	335.2	347.5	342.4	-

#### Price movements at Bikaner Vayda

Bikaner September guar vayda today opened so high as it faced circuit immediately today also and was closed amidst that.

#### Satellite Image Showing Latest Cloud Cover (IMD, 7:30PM)



### WEATHER WATCH (24-08-05)

#### PROGRESS OF MONSOON;

Western end of the monsoon trough continued to lie close to the foothills of Himalayas. The eastern end of the monsoon trough also moved northwards and now passes through Behraich, Patna, Berhampore and thence southeastwards to northeast Bay of Bengal. Yesterday's upper air cyclonic circulation over southeast Uttar Pradesh and neighbourhood extending upto mid-tropospheric levels now lies over Sub-Himalayan West Bengal & Sikkim and adjoining Bihar and extends upto 3.1 km a.s.l.. Under this scenario, enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal & Sikkim and Bihar is

likely to continue for another 2-3 days while it may reduce over East Uttar Pradesh after 24 hours. Yesterday's upper air cyclonic circulation over Tamil Nadu & adjoining Kerala extending upto mid-tropospheric levels tilting southwestwards with height has moved westwards and now lies over Lakshadweep and extends between 3.1 and 4.5 km a.s.l. Southwest monsoon was vigorous over East Uttar Pradesh, Rayalaseema and South Interior Karnataka and active over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Sub-Himalayan West Bengal & Sikkim, Bihar, Himachal Pradesh and Coastal Andhra Pradesh. Rain/ thundershowers occurred at many places over Andaman & Nicobar Islands, Gangetic West Bengal, Jharkhand, Uttaranchal and Punjab and at a few places over Orissa, Chhattisgarh and Tamil Nadu & Pondicherry. It was isolated over rest regions of the country outside West Uttar Pradesh, Rajasthan, Saurashtra, Kutch & Diu, Kerala and Lakshadweep where weather was mainly dry.

#### Zone Wise Rainfall Forecast

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

The region is likely to receive isolated rainfall.

**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 East U.P. during next 24 hours and Bihar, Orissa, West Bengal, Jharkhand and NE States during next 2-3 days. Subsequently, rainfall activity is expected to enhance over Orissa and Gangetic west Bengal.

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

Scattered rainfall activity is likely over entire region except Chattisgarh where fairly widespread rains are expected during next 2-3 days.

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

Isolated to scattered rainfall is expected over the region during next 2 days. Subsequently, rainfall activity may increase over Coastal Karnataka and Coastal Andhra Pradesh.

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

Konkan & Goa and Madhya Maharashtra are likely to receive scattered rains for next 2 days. Subsequently, fairly widespread rainfall activity is expected over Konkan & Goa. Isolated to scattered rainfall is expected over the rest of the regions outside West Rajasthan and Saurashtra & Kutch where mainly dry weather may prevail.

**Source:** GOI

#### EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.72
European Union	Euro	53.23
United Kingdom	GBP	78.40
Japan	100 Yen	39.54

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