

## GUAR SEED and GUAR GUM

August 17, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded slightly firm
- Guar vayda jumped 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 Thursday.

**Stochastic:** The stochastic has changed the curvature and now moving upward though the %K line is lying in neutral region and below the %D line, still giving slight indication of weaker prices next day.

**MACD:** The MACD (5-day) has started moving upward, lying above its EMA in positive zone, hinting slight strength in prices.

**Alignment pattern:** The alignment pattern of moving averages is indicating towards higher prices.

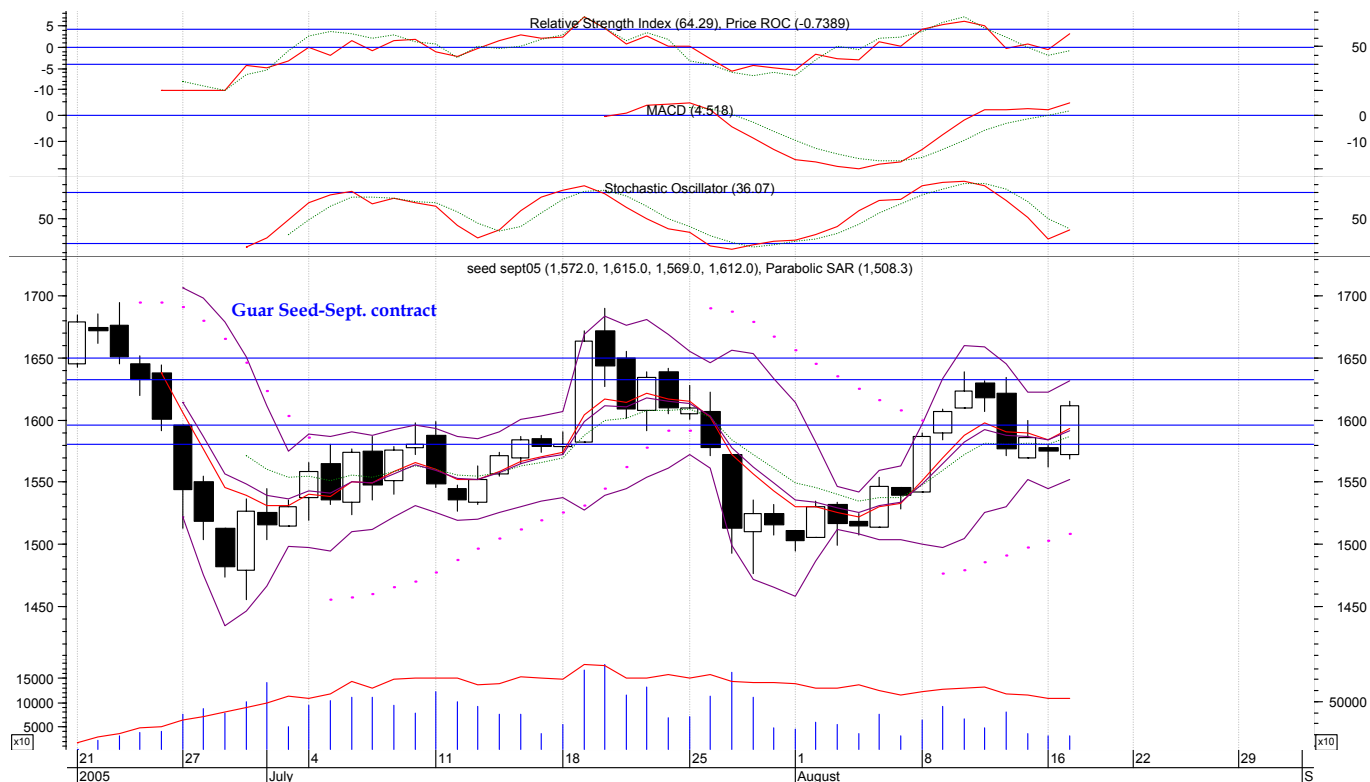
Guar seed future traded steep upward and rested on higher ground. It is expected to open firm and trade range bound upward next day.

### Market outlook:

- Guar seed prices are expected to open firm and trade range bound upward initially on Thursday but may come down during later half of the day in case of rains in western Rajasthan.
- Trade with very short-term outlook.

### Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1538	1520	1563	1572
Sept.	1596	1581	1633	1650
Oct.	1626	1609	1661	1678



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 Thursday.

**Stochastic:** The stochastic is moving upward in neutral region, %K line has crossed %D line from below expecting the same movement as today's one.

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

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

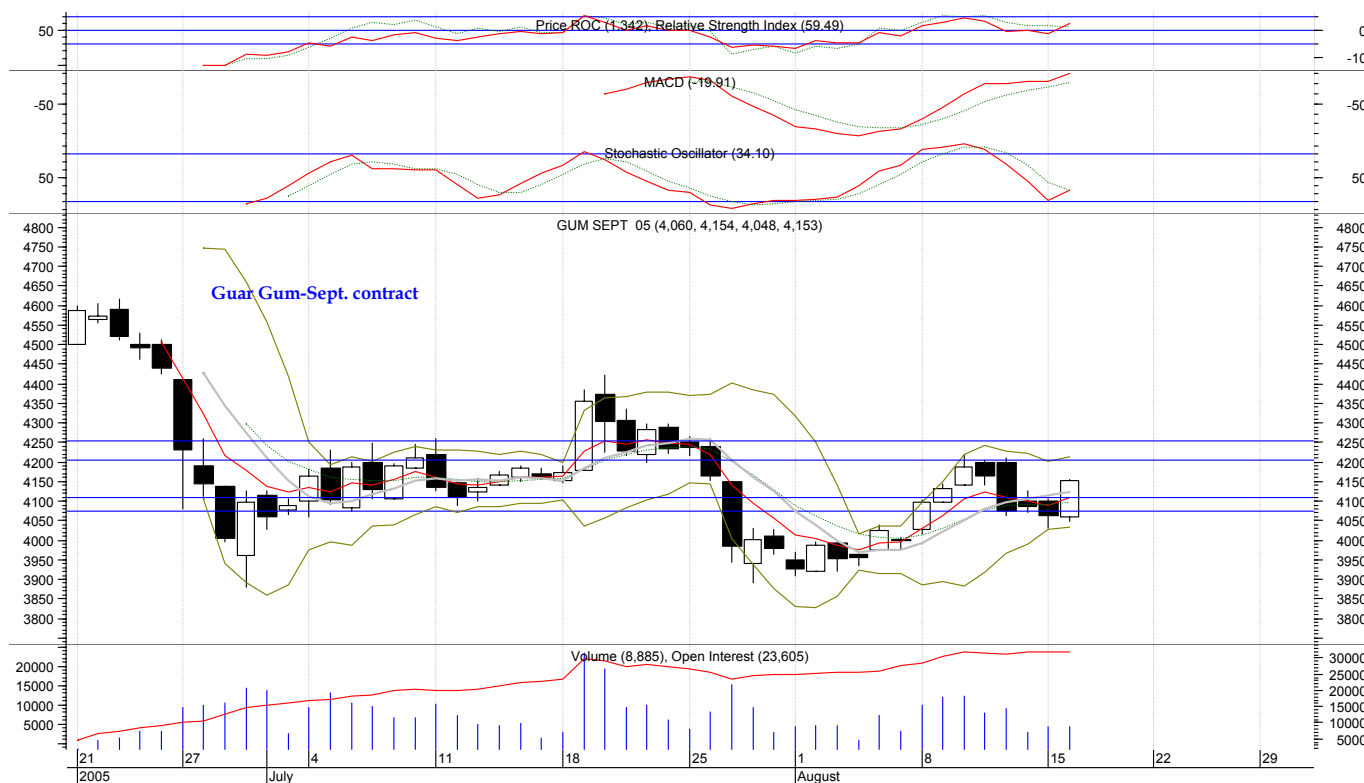
Guar gum traded speculative upward and settled higher. It is expected to open firm and trade upward on Thursday.

#### Market outlook:

- Guar gum is expected to open firm and trade upward with range bound initially but if there are good rains in western Rajasthan and Haryana, prices may slip down.
- Trade with very short-term outlook.

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

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	4010	3962	4105	4136
Sept.	4113	4075	4205	4255
Oct.	4222	4185	4306	4348



## MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures traded speculative upward even though there were light drizzle in parts of Rajasthan and Haryana. Cash markets also followed the same and moved higher. Bikaner line 98% whitish guar seed was available at Rs.1610-15 per quintal today, slightly up from previous day price level of Rs.1585 per quintal. Bikaner market also moved higher and guar seed was priced at Rs.1550 per quintal over there. Nokha and Khairthal markets were closed amid Municipality election.

Guar gum futures at NCDEX witnessed steep upward trade today that was purely on speculative basis. Though there was cloudy weather in Rajasthan and Haryana but speculators felt that there will not be sufficient rains in the areas where it needed most, so they pushed the prices upward. Guar gum was sold at Rs.4150 per quintal in Jodhpur market.

Cloudy weather and light showers were observed today in parts of eastern Rajasthan, Haryana and Gujarat but western parts of Rajasthan and Guari belt of Haryana and Rajasthan did not witness the rains and speculators picked this situation and pushed the market towards higher level. Now the market will face a check only if there are rains in the above areas otherwise market sentiments are still firm for tomorrow also.

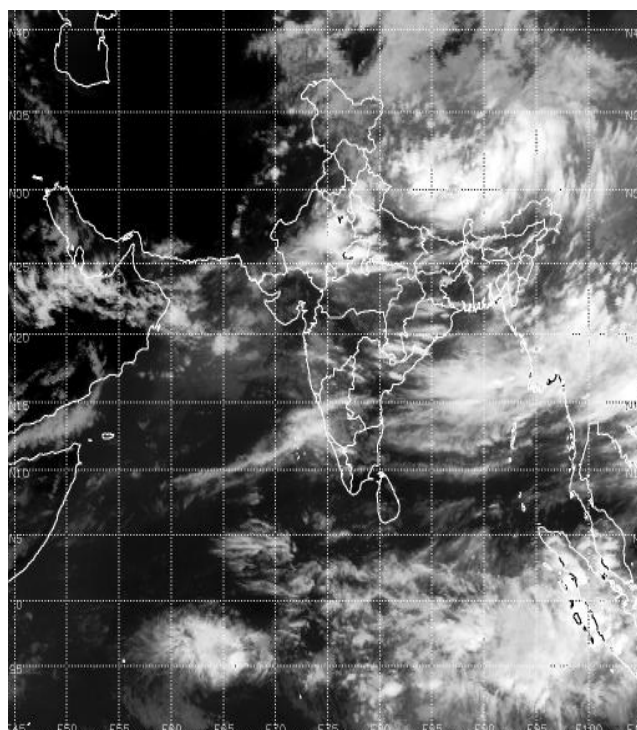
Commodity	Centres	16.08.05	17.08.05	Change
Guar Seed	Bikaner	1520	1550	+30
	Ganganagar	1480	1515	+35
	Jodhpur-B line	1575-85	1610-15	+30
	Jodhpur-M line	1565	1575-80	+15
	Nokha	1425	Closed	+5
	Alwar	-	-	-
Guar Gum:	Khairthal	-	Closed	
		4075-4100	4150	-25

### Salient points of the day

- Guar seed as well as guar gum traded steep upward.
- Rains in parts of eastern Rajasthan, Haryana and Punjab.
- Cloudy weather in Rajasthan and Haryana and Punjab.
- There are early indications of monsoon going into another Weak Phase beginning from 21<sup>st</sup> August, 2005 leading to enhanced rainfall activity over NE states and sub-Himalayan West Bengal and sub-dried rainfall over remaining parts of the country.

- Prices are expected to witness marginal upward trade on Thursday except in the case of rains in guar areas of Rajasthan and Haryana when prices may fall down.

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



### Bikaner Guar Vayda

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	305.6	309.2	312.7	+7.1

#### Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm at 309.2, traded upward steeply after initial sluggish moves and circuit closed at 312.7 towards end of the day.

### WEATHER WATCH (17-08-05)

#### PROGRESS OF MONSOON;

Yesterday's upper air cyclonic circulation over Jharkhand and adjoining Chhattisgarh now lies over Jharkhand and adjoining southeast Uttar Pradesh extending upto mid tropospheric levels tilting southwestwards with height. The system is likely to move in a northwesterly direction and may cause fairly widespread rainfall with isolated heavy falls over Madhya Pradesh during next 2-3 days. The upper air cyclonic circulation over central Pakistan and neighbourhood extending upto 1.5 km a.s.l. persists. The other upper air cyclonic circulation over Gujarat & neighbourhood extending between 2.1 & 4.5 km a.s.l. also

persists. The axis of monsoon trough at sea level passes through Ferozepur, Delhi, Kanpur, Allahabad, Digha 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 during next 2 days. Southwest monsoon was active over Haryana, Chandigarh & Delhi, Punjab, Himachal Pradesh, east Madhya Pradesh, Vidarbha and interior Karnataka. Rain/ thundershowers occurred at most places over Konkan & Goa, madhya Maharashtra, Marathawada and coastal Karnataka; at many places over Sub- Himalayan West Bengal & Sikkim, Uttar Pradesh, Uttaranchal, east Rajasthan, Kerala and Lakshadweep and at a few places over Andaman & Nicobar islands, northeastern States, Orissa, Jharkhand, Jammu & Kashmir, West Madhya Pradesh, Chhattisgarh, Gujarat region, Telangana and Rayalaseema. It was isolated over the rest regions of the country outside west Rajasthan where weather was mainly dry.

#### Zone Wise Rainfall Forecast

**North & North-West India:** [ J&K, HP, Uttaranchal, 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 days.

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

Scattered rains are likely over most parts of the region except Jharkhand and east U.P. where fairly widespread rains are expected during next 2-3 days.

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

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

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

Coastal Karnataka is likely to receive fairly widespread rains during next 3 days. Scattered rains are expected over rest areas except over 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, Gujarat and East Rajasthan; 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	53.58
United Kingdom	GBP	78.55
Japan	100 Yen	39.64

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.