

## GUAR SEED and GUAR GUM

September 19-26, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Maintained Weakness at Spot Markets
- Guar Futures Finished Lower on Speculative Selling

### MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures traded with a bearish sentiment in this week. The guar seed futures remained mostly range bound in the first and last half of this week with biggest loss registered during the mid-week. The guar seed futures finished the week at lower levels and tested this week's low on Thursday. The guar physical markets also witnessed similar sentiment in this week amidst rains during the last half of this week over parts of guar growing regions. Despite some buying support at the lower price levels, the guar seed prices at the physical as well as the futures market remained at the lower side on speculative selling pressure throughout the week. The Bikaner line 98% whitish guar seed was quoted in the range of Rs 1575-1675 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained between Rs 1530-1625 per quintal during this week.

As per various forecasts of government agencies like IMD and NCRMWF, mainly dry weather prevailed over Gujarat, Rajasthan, Punjab, Haryana, and most parts of interior Maharashtra today. Model prediction indicates that the anti-cyclonic circulation may start dominating over West and North-west India during next 2-3 days thus creating favourable conditions for withdrawal of monsoon from these regions. Isolated to scattered rainfall are likely over the region except Rajasthan and Gujarat where mainly dry weather is likely to prevail during 3-4 days. Under such circumstances the guar market sentiments remained bearish and the prices of guar seed may move further downwards in the next week. However, some upward corrections are also likely in the coming week.

#### Spot Market Prices of Guar in Main Markets of Rajasthan (Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
19.09.05	1600	1600-1625	1600	1400
26.09.05	1550-1575	1600	1575	-
Change	-50	-25	-25	-

#### Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed a bearish sentiment in this week. The guar gum futures remained

mostly range bound in the first and last half of this week with major fall occurred during the mid-week. The guar gum futures finished the week on a lower ground. At the physical markets also guar gum was traded with a similar sentiment in this week. The guar gum prices got some buying support at the lower price levels but speculative selling pressurised the prices to move downwards.

At the physical markets guar gum was traded in a lower range of Rs 4050-4475 per quintal in Jodhpur market during this week as against the last week.

#### Price Movement of Guar Seed and Gum at NCDEX Vayda (Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
19.09.05	1602.00	1563.65	4397.90
20.09.05	1593.15	1575.40	4371.55
21.09.05	1612.50	1587.55	4430.80
22.09.05	1523.60	1523.35	4166.20
23.09.05	1487.95	1476.80	3991.05
24.09.05	1517.05	1515.85	4138.70
26.09.05	1522.20	1514.10	4134.20
Change (Rs)	-79.80	-49.55	-263.70

#### Guar Seed Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
19.09.05	1651	1642	1691	1681	-	-
20.09.05	1640	1652	1682	1692	-	-
21.09.05	1660	1644	1699	1689	1722	1715
22.09.05	1636	1565	1684	1603	1715	1621
23.09.05	1562	1544	1600	1569	1615	1583
24.09.05	1555	1564	1586	1600	1600	1620
26.09.05	1557	1546	1585	1574	1610	1591

## Guar Gum Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
19.09.05	4385	4322	4455	4431	-	-
20.09.05	4330	4360	4401	4460	-	-
21.09.05	4390	4355	4465	4449	4499	4540
22.09.05	4320	4113	4401	4203	4501	4281
23.09.05	4030	4000	4190	4092	4221	4160
24.09.05	4026	4096	4155	4189	4221	4276
26.09.05	4050	4019	4151	4107	4250	4183

## WEATHER WATCH (26.09.05)

### ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

#### Monsoon Outlook

During last 24 hours, rainfall has reduced significantly over Uttaranchal, Himachal Pradesh and Jammu & Kashmir. Scattered light to moderate rainfall has also occurred over East Uttar Pradesh, northeastern States, parts of Madhya Pradesh, Chhattisgarh, Orissa and Konkan & Goa. Mainly dry weather prevailed over Gujarat, Rajasthan, Punjab, Haryana, and most parts of interior Maharashtra.

Yesterday's low-pressure area over West Uttar Pradesh and adjoining Uttaranchal has become less marked. The western disturbance as an upper air system and the trough in westerlies are moving away northeastwards. A north-south trough runs from Sikkim to north Bay of Bengal and

extends upto 4.5 km a.s.l. Under its influence, scattered rainfall activity is likely to continue in northeastern states.

Model prediction indicates that the anti-cyclonic circulation at 700 hPa level (3.1 km above mean sea level) may start dominating over West and North-west India during next 2-3 days thus creating favourable conditions for withdrawal of monsoon from these regions.

#### NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Isolated to scattered rains are expected over hilly areas of NW India. Mainly dry weather may prevail over rest areas of the region during next 4-5 days.

#### EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Scattered rains are likely over NE States and Sub-Himalayan West Bengal and isolated over rest areas of the region during next 2-3 days.

#### CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Isolated to scattered rains are expected over the region during 2-3 days.

#### SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Isolated to scattered rains are expected over the region during next 2-3 days.

#### WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Isolated to scattered rainfall are likely over the region except Rajasthan and Gujarat where mainly dry weather is likely to prevail during 3-4 days.

Source: GOI (NCMRWF& IMD)

## TECHNICAL ANALYSIS

### Commodity: Guar Seed

#### Perspective: Very Short Term (Weekly)

#### NCDEX October Contract

**Candlestick:** Formation of candlestick pattern is showing a range bound trade with a bearish undertone for the coming couple of days. However, an upward correction is likely in the near future.

**Stochastic:** The stochastic is moving upwards in the normal region; the % -K line after cutting the % -D line from below moving upwards, showing further uptrend in the coming days.

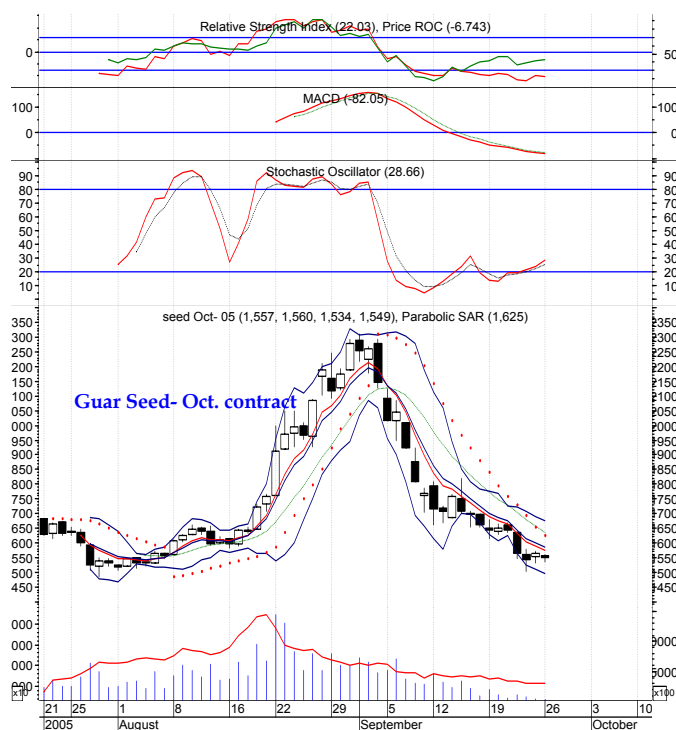
**MACD:** The MACD (5-day) is moving downwards below its EMA in negative region, showing weakness in the market.

**Alignment pattern:** The alignment pattern of moving averages is supporting the bearish sentiment.

Guar seed futures are expected to remain mostly bearish in the coming couple of days but likely to consolidate and some upward correction is also expected in the near future.

#### Market Outlook:

Guar seed prices are expected to open weak and trade range bound downward initially and may witness some upward correction in the next week. The weather situation has improved following rains in parts of guar growing regions during this week. However, the market sentiment remained bearish on a better than expected crop estimates.



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

**Candlestick:** Formation of Candlestick pattern is showing a bearish sentiment for the coming couple of days with possibility on an upward correction in the near future.

**Stochastic:** The stochastic is moving upwards in the normal region, the %K line after cutting the %D line from below moving upwards, hinting some uptrend in the coming days.

**MACD:** The MACD (5-day) is moving downward and lying bearishly below its EMA, hinting further weakness in the market.

**Alignment pattern:** The alignment pattern of moving average is supporting the weakness in the market.

The guar gum futures are expected to remain mostly bearish in the coming couple of days but likely to consolidate and some upward correction is also expected in the near future.

**Market Outlook:**

Guar gum prices are expected to open weak and trade range bound downward initially and may witness some upward correction in the next week. The weather situation has improved following rains in parts of guar growing regions during this week. However, the market sentiment remained bearish on a better than expected crop estimates.



**SOME FACTS ABOUT GUAR TRADE**

**Export of Guar Meal to different countries from India**

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Dec)	2003-2004	2004-05 (Apr-Dec)
1	U S A	261.31	409.33	576.38	878.05
2	CHINA P RP	239.2	129.01	633	277.3
3	GERMANY	171.92	17.69	458.96	40
4	CANADA	116.63	36.77	200.9	59
5	MEXICO	89.45		210	
6	ARGENTINA	76.45	38.16	238	80
7	INDONESIA	71.7	136.31	163	330.2
8	JAPAN	66.6	22.5	178.8	40
9	HONG KONG	64.64	7.08	177.5	0.02
10	RUSSIA	56.9	27.45	152	60
11	BRAZIL	45.78	9.41	127	20
12	TURKEY	45.39	84.61	100	181
13	ITALY	44.48	108.58	97.2	172
14	ZIMBABWE	41.4		120	
15	TAIWAN	35.68	66.42	73	121.5
16	NTH'LAND	33.72	1.11	60	3
17	KOREA RP	31.98	5.97	66.4	8.5
18	SWZ'LAND	30.31	6.72	80	20
19	PAKISTAN	29.82		100	
20	FRANCE	29.77	39.52	65	80
	Total	1,868.64	1467.97		

Source: DGFT

**Export of Guar Gum Refined Split to different countries from India**

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Dec)	2003-2004	2004-05 (Apr-Dec)
1	U S A	7137.03	8492.79	17332.04	19504.78
2	CHINA PRP	1892.09	1495.33	5,294.75	3,427.50
3	GERMANY	865.12	644.05	2,103.89	1,735.99
4	SWZ'LAND	773.93	644.95	2,109.86	1,572.30
5	ITALY	748.46	238.91	1,635.73	507.41
6	NTH'LAND	412.66	177.53	829.8	299.3
7	JAPAN	319.13	463.59	753.98	1,084.89
8	S. AFRICA	263.87	608.3	806.82	1,405.47
9	SPAIN	235.05	339.25	625	699.04
10	CANADA	226.6	179.37	491.84	512.46
11	U K	216.34	512.15	526.84	879.32
12	GEORGIA	158.57		458.6	
13	HONG KONG	155.04	340.94	324.89	882.19
14	BRAZIL	151.76	132.59	415	312.38
15	AUSTRALIA	149.54	39.15	408.5	108
16	FRANCE	144.54	78.47	345.75	157.27
17	MEXICO	97.66	50.34	200	98.03
18	TAIWAN	89.31	16.86	266	60
19	DENMARK	86.79	146.74	220.19	398.56
20	POLAND	85.55	10.65	200.02	20
	TOTAL	15317.01	15771.52		

Source: DGFT

**Export of Guar Gum Treated and Pulverised to different countries from India**

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Dec)	2003-2004	2004-05 (Apr-Dec)
1	U S A	12,158.99	10,111.91	26,775.90	17,187.54
2	GERMANY	5,211.64	6,926.32	12,980.04	9,593.67
3	FRANCE	1,892.70	583.66	3,612.45	694.77
4	U K	1,276.71	594.05	2,387.53	1,163.15
5	SOUTH AFRICA	1,075.63	636.99	3,033.33	874.72
6	ITALY	1,065.56	721.31	2,403.84	1,201.57
7	CHINA P RP	1,060.03	1,916.67	2,651.52	4,128.79
8	HONG KONG	936.6	251.78	2,270.95	652.09
9	CANADA	698.71	565.73	1,605.30	1,222.20
10	SWZ'LAND	573.09	280.17	1,383.74	630.2
11	DENMARK	535.6	326.96	1,136.89	688.6
12	VIETNAM SOC REP	525.76	74.89	2,181.01	98.54
13	NTH'LAND	524.9	444.09	1,224.49	886.1
14	JAPAN	442.13	489.58	1,062.74	983.53
15	AUSTRALIA	425.81	369.32	932.8	660.37
16	SPAIN	401.67	324.6	993.28	581.08
17	INDONESIA	358.74	205.64	804.86	351.12
18	KOREA RP	319.23	305.7	630.68	445.19
19	BELGIUM	312.82	442.82	687	794.65
20	BRAZIL	308.96	305.65	691.3	527.28
Total		33,603.90	28632.36		

Source: DGFT

**FOREX: (26.09.05)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.95
European Union	Euro	52.87
United Kingdom	GBP	78.01
Japan	100 Yen	39.11

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