

## GUAR SEED and GUAR GUM

December 05-10, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Highly Bearish in this Week
- Guar Futures: Later Months Tested Fresh Contract Lows

### MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week with slight gains amidst range bound trade on Monday. The guar seed futures extended the slight advances on Tuesday and tested this week's high on Tuesday, but settled with losses. The futures traded with a highly bearish sentiment thereafter and slid continuously throughout the remaining days of this week under review. The December future tested more than 2-months low during Saturday's trade, while the later months tested fresh contract month lows on increased speculative selling. At the spot markets also guar seed was traded with a similar sentiment during this week. At the Jodhpur market it was quoted in the range of 1675-1735 per quintal in this week. At the Bikaner market it was traded in the range of Rs 1570-1635 per quintal, while at the Nokha market it was offered between Rs 1530-1565 per quintal during this week. At the Sriganganagar market it was available between Rs 1540-1585 per quintal, while at the Shiwani market it was quoted in the range of Rs 1550-1585 per quintal during this week.

The guar physical markets witnessed a highly bearish sentiment in this week under review. The prices of both the guar seed as well as guar gum was quoted lower in this week as against the last week. The crop arrivals at the major physical markets remained almost steady in this week under review and consequently the prices faced a downward pressure. Moreover, the speculative selling pressure at the futures market has also underpinned the downtrend in prices at the physical markets. The present crop size is estimated to be around 4.5-5.0 lakh tonnes. Under such situations the prices of guar seed are expected to remain firm in the coming months. Even, in the short-term perspective the prices of both the guar seed as well as the guar gum may witness some upward movement in the coming week on a likely fall of arrivals at the major physical markets. Under such circumstances the prices of guar seed are expected to remain firm during the first half of the coming week and is likely to witness some downtrend during the later half of 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	
03.12.05	1640-1645	1725-1730	1710-1715	1565
10.12.05	1570	1675-1680	1650	1530
Change	-75	-50	-65	-35

#### Market Commentary on Guar Gum

The guar gum futures at the NCDEX also witnessed similar bearish sentiment in this week under review. The futures slid continuously during the major half of this week and the later months tested fresh contract month lows during the weekend.

At the physical markets also guar gum was quoted lower between Rs 4400-4575 per quintal in Jodhpur market during this week. The prices of guar gum are likely to remain firm during the first half of the coming week and may move downwards during the later half.

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

Dates	Bikaner	Jodhpur	Guar Gum
03.12.05	1662.95	1651.85	4583.90
05.12.05	1655.55	1641.35	4557.45
06.12.05	1650.75	1650.45	4565.90
07.12.05	1634.30	1627.30	4497.25
08.12.05	1637.75	1630.30	4514.05
09.12.05	1622.40	1613.90	4481.85
10.12.05	1605.90	1607.30	4436.75
Change (Rs)	-57.05	-44.55	-147.15

#### Guar Seed Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
03.12.05	1675	1688	1742	1747	1782	1794
05.12.05	1690	1688	1745	1750	1782	1798
06.12.05	1695	1683	1752	1743	1803	1793
07.12.05	1685	1682	1743	1739	1793	1786
08.12.05	1674	1663	1738	1714	1790	1761
09.12.05	1668	1638	1716	1684	1764	1731
10.12.05	1635	1631	1680	1673	1727	1714

## Guar Gum Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
03.12.05	4540	4558	4634	4657	4685	4750
05.12.05	4550	4568	4697	4667	4750	4763
06.12.05	4565	4560	4671	4654	4766	4749
07.12.05	4552	4544	4655	4633	4759	4729
08.12.05	4550	4469	4644	4561	4742	4659
09.12.05	4465	4399	4556	4488	4650	4583
10.12.05	4357	4369	4461	4454	4575	4548

## WEATHER WATCH (10.12.05)

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

#### Weather Outlook

The depression over Tamil Nadu centered near Vedaranniyam has weakened into a low pressure area and lies over South Tamil Nadu coast and likely to weaken further. Under its influence scattered to fairly widespread rainfall with isolated heavy falls are likely over Tamil Nadu, Kerala and Lakshadweep during next 24 hrs. Rainfall activity over Tamil Nadu, Kerala and Lakshadweep is likely to decrease after 24 hrs. An easterly wave as the remnant of a low-pressure system over South China Sea appears to be moving westwards and may affect south Tamil Nadu coast and Kerala on 15-16 December 2005. The western

Disturbance as an upper air system over north Pakistan and adjoining Jammu & Kashmir has now moved away eastwards. Another weak western disturbance is likely to approach hilly region of NW India by 14th Dec. However, being a weak one, not much impact of this system is expected.

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

Mainly dry weather may prevail over NW India during next 3 days. Isolated snow/rains are expected over upper reaches of J & K and Himachal on 14-15 December 2005.

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

Mainly dry weather may prevail over the region.

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

Mainly dry weather is expected over the region till 12th December 2005.

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

Scattered to fairly widespread rains with isolated heavy falls are likely over Tamil Nadu & Pondicherry, Kerala and Lakshadweep during next 24 hours and decrease thereafter. Scattered to fairly widespread rains are expected over Andaman & Nicobar Islands during next 3-4 days. Isolated rains are also likely in coastal AP, Rayalaseema and south Interior Karnataka. Mainly dry weather may prevail in the rest areas of the region.

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

Mainly dry weather is expected to prevail over the region.

Source: GOI (NCMRWF& IMD)

## TECHNICAL ANALYSIS

### Commodity: Guar Seed

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

#### NCDEX January Contract

**Candlestick:** Formation of candlestick is showing a bearish pattern and weak opening.

**Stochastic:** The stochastic is moving downwards, the % -K line along with the % -D line is moving downwards in the oversold region, hinting further downtrend with possibility of an upward technical correction.

**MACD:** The MACD (5-day) is moving downwards in the negative territory, supporting the weakness in the market.

**Alignment pattern:** The alignment pattern of moving averages is also supporting the downward movement.

#### Market Outlook:

Guar seed futures are expected to trade downwards following a weak opening in the next day. However, an upward technical correction is likely in the short-term. The futures are likely to remain firm during the first half of the coming week with possibility of some downward movement during the later half of the coming week.



## Commodity: Guar Gum

### Perspective: Very Short Term (Weekly)

#### NCDEX January Contract

**Candlestick:** Formation of candlestick is showing a bearish pattern and weak opening.

**Stochastic:** The stochastic is moving downwards, the % -K line has entered the oversold region and moving downwards, indicating further downtrend with possibility of an upward technical correction.

**MACD:** The MACD (5-day) is moving downwards in the negative territory, supporting the weakness in the market.

**Alignment pattern:** The alignment pattern of moving averages is also supporting the downward movement.

#### Market Outlook:

Guar gum prices are expected to trade downwards following a weak opening in the next day. However, an upward technical correction is likely in the short-term. The futures are likely to remain firm during the first half of the coming week with possibility of some downward movement during the later half of the coming week.



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