

## GUAR SEED and GUAR GUM

November 28-December 03, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Pared Some Losses during Weekend
- Guar Futures: Recovered Back from Early Weakness

### MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week with substantial losses. The futures extended last weekend's losses and settled down during Monday's trade. The futures after witnessing alternate ups and downs, finally tested this week's low on Thursday, but managed to settle with gains. The guar seed futures surged up again during the weekend and tested this week's high on Saturday. The futures pared most of the early losses during Saturday's trade but failed to finish at the higher levels. The guar seed futures on an average traded range bound at a lower ground in this week. At the spot markets also the guar seed trade remained mostly weak in this week. At the Jodhpur market it was quoted between Rs 1700-1730 per quintal during this week. At the Bikaner market it was traded in the range of Rs 1600-1645 per quintal, while at the Nokha market it was offered between Rs 1525-1570 per quintal during this week. At the Sriganganagar market it was available in the range of Rs 1535-1585 per quintal, while at the Shiwani market it was quoted in the range of Rs 1520-1580 per quintal during this week.

The guar physical markets witnessed on an average a bearish sentiment in this week under review. Both the prices of guar seed and guar gum hovered within a lower range as against the last week. The crop arrivals at the major physical markets remained at the higher side in this week under review and consequently the prices eased during this week. 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. However, in the short-term the prices are facing the supply pressure at present. Under such circumstances the prices of guar seed are expected to extend the weakness in the coming 1-2 days, but likely to move up 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	
26.11.05	1645	1735-1740	1705	1575-1580
03.12.05	1640-1645	1725-1730	1710-1715	1565
Change	-	-10	+10	-15

#### Market Commentary on Guar Gum

The guar gum futures at the NCDEX also extended last weekend's bearishness in this week. The guar gum futures traded mostly weak during the first half of this week with huge losses during Monday's trade. However the futures traded upwards during the weekend and pared some of the early losses.

At the physical markets guar gum was quoted between Rs 4450-4550 per quintal in Jodhpur market during this week. The prices of guar gum are likely to remain weak in the coming 1-2 days and may move upwards during the later half of the coming week.

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

Dates	Bikaner	Jodhpur	Guar Gum
26.11.05	1670.25	1652.80	4591.05
28.11.05	1619.35	1620.10	4484.40
29.11.05	1634.25	1624.25	4486.20
30.11.05	1618.10	1624.15	4489.25
01.12.05	1622.25	1624.45	4483.90
02.12.05	1633.60	1627.50	4508.90
03.12.05	1662.95	1651.85	4583.90
Change (Rs)	-7.30	-0.95	-7.15

#### Guar Seed Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
26.11.05	1733	1716	1794	1769	1841	1816
28.11.05	1710	1663	1762	1711	1811	1753
29.11.05	1657	1699	1710	1750	1755	1792
30.11.05	1696	1666	1752	1714	1785	1757
01.12.05	1662	1674	1717	1727	1761	1770
02.12.05	1677	1682	1725	1738	1769	1782
03.12.05	1675	1688	1742	1747	1782	1794

## Guar Gum Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
26.11.05	4707	4621	4795	4716	4889	4812
28.11.05	4601	4445	4700	4536	4850	4623
29.11.05	4450	4551	4525	4649	4611	4744
30.11.05	4555	4465	4659	4555	4725	4656
01.12.05	4490	4498	4575	4591	4651	4683
02.12.05	4500	4529	4585	4620	4680	4711
03.12.05	4540	4558	4634	4657	4685	4750

## WEATHER WATCH (03.12.05)

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

#### Monsoon Outlook

During the last 24hrs, fairly widespread rainfall with pockets of heavy precipitation is realized over the north Tamil Nadu and south coastal Andhra Pradesh. Moderate rainfall is realized over Lakshadweep, Madhya Pradesh, Konkan, Madhya Maharashtra, Vidarbha, Madhya Pradesh, Kerala and Andaman & Nicobar Islands. Yesterday's depression over the southwest Bay of Bengal has further weakened into low and moved westward during the last 24hrs. It now lies over north coastal Tamil Nadu & adjoining southwest Bay of Bengal and with the inland movement of the low-pressure system, rainfall belt has moved over to southern districts of Rayalaseema since morning. Further, fairly widespread rainfall are likely over north Tamil Nadu, Coastal Andhra Pradesh, Rayalaseema, south interior Karnataka and Kerala are expected in coming 2-3days with the expected westward movement of the system slowly with in the east west shear zone present over the Indian seas and across the south peninsular India. Under the influence

of the mid-latitude westerly trough and the convective cloud bands associated with the low pressure area over east-central Arabian Sea have extended in north-easterly direction over Konkan coast, Madhya Maharashtra, Marathwada, Vidarbha, Madhya Pradesh and Chhattisgarh even today. Under the scenario, isolated to scattered rainfall activity is expected over the above regions during next 36hrs. A fresh cyclonic circulation is likely to form in 24hrs time over the southeast Bay of Bengal to the southeast of Andaman & Nicobar Islands. Since, this circulation is forming well with in the pre-existing east-west shear zone over the south Bay of Bengal and also over the marginally warm ocean surface, it is likely to gain strength in its travel towards the peninsular India in coming days.

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

Isolated to Scattered rains/snow are expected over Himachal and Uttaranchal for next 12- 24Hrs.

#### 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]

Isolated and scattered rains are expected over Vidarbha, Madhya Pradesh and Chhattisgarh during next 24-36hours

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

Widespread with isolated heavy to very heavy rains are expected over north coastal A.P. and widespread rains over north Tamil Nadu, Rayalaseema during next 48 hrs. Subsequently, the rainfall belt may shift towards interior parts of south interior Karnataka. Scattered rains are also expected over north interior Karnataka, Malabar coast, Kerala and Lakshadweep islands.

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

Isolated and scattered rains are expected over Konkan coast and Marathwada during next 24-36hrs. Mainly dry weather is expected to prevail over rest of the region.

Source: GOI (NCMRWF& IMD)

## TECHNICAL ANALYSIS

### Commodity: Guar Seed

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

#### NCDEX December Contract

**Candlestick:** Formation of candlestick is showing a trend reversal pattern and steady to weak opening.

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

**MACD:** The MACD (5-day) is still moving slightly downwards in the negative territory, showing some weakness left in the market.

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

#### Market Outlook:

Guar seed futures are expected to witness an upward trade in the coming week following a steady to weak opening. However, the futures may witness some downward trade during the first half of the coming week.



## Commodity: Guar Gum

### Perspective: Very Short Term (Weekly)

#### NCDEX December Contract

**Candlestick:** Formation of candlestick is showing a trend reversal pattern and steady to weak opening.

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

**MACD:** The MACD (5-day) has just started moving upwards in the negative territory but still lying below its signal line, showing some weakness in the market.

**Alignment pattern:** The alignment pattern of moving averages is also supporting the uptrend

#### Market Outlook:

Guar gum prices are expected to witness an upward trade in the coming week following a steady to weak opening. However, the futures may witness some downward trade during the first half of the coming week.



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