

## GUAR SEED and GUAR GUM

January 30- Feb 06, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Rangebound in this Week
- Guar Futures: Steady; Pared Early Slid at the Weekend

### MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week with a bearish note and slid continuously thereafter on increased selling pressure at the higher levels. The near month guar seed futures tested this week's low, while the far month April future tested fresh contract month low during Thursday's trade. However, the futures traded mostly range bound thereafter on some buying support at the lower levels. The volume of trade remained thin in this week under review. The arrivals at the major physical markets declined gradually during this week. At the Jodhpur market it was quoted in the range of Rs 1790-1810 per quintal in this week. At the Bikaner market it was offered between Rs 1660-1690 per quintal, while at the Nokha market it was available in the range of Rs 1595-1635 per quintal in this week. At the Sriganganagar market it was traded in the range of Rs 1575-1600 per quintal, while at the Shiwani market it was quoted in the range of Rs 1630-1650 per quintal during this week.

The guar physical markets witnessed a range bound trade during this week under review. The week began with a negative note and the prices of guar were quoted much lower. However, buyers were active in the market at such lower levels and eventually the prices started recovering. The arrivals at the major physical markets remained at the lower side. Despite a lower arrival coupled with higher demand, the prices of guar failed to show any improvement and remained range bound at the lower levels. The speculative selling pressure at the futures market at the higher levels and consequently range bound future prices has also underpinned the narrow movement in guar prices at the physical markets. However, the prices of guar are likely to recover fast with buying activity likely to be higher at the present lower levels. Moreover, talks are there about export deals of sizeable quantity. Under such situations, the prices of guar seed is likely to remain firm in the coming couple of days and may move downwards 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	
30.01.06	1670	1790	1765	1635
06.02.06	1690	1810	1785	1610
Change	+20	+20	+20	-25

### Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed on an average a downward trade during this week. The futures slid continuously during the first half and tested contract month lows on Thursday. However, the future traded mostly rangebound thereafter.

At the physical markets guar gum was quoted in the range of Rs 4500-4550 per quintal in Jodhpur market during this week. The prices of guar gum are expected to remain firm in the coming couple of days and may move downwards 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
30.01.06	1686.85	1700.20	4539.95
31.01.06	1685.05	1711.95	4547.40
01.02.06	1677.55	1713.40	4538.85
02.02.06	1673.00	1688.70	4479.60
03.02.06	1674.75	1700.80	4515.30
04.02.06	1680.15	1703.15	4534.55
06.02.06	1688.10	1711.10	4553.35
Change (Rs)	+1.25	+10.90	+13.40

#### Guar Seed Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
30.01.06	1753	1732	1797	1775	1841	1818
31.02.06	1732	1736	1774	1781	1820	1826
01.02.06	1739	1722	1784	1762	1828	1801
02.02.06	1724	1716	1762	1753	1803	1790
03.02.06	1721	1733	1756	1773	1793	1814
04.02.06	1735	1725	1774	1763	1815	1802
06.02.06	1726	1732	1765	1772	1805	1813

## Guar Gum Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
30.01.06	4540	4453	4657	4576	4777	4701
31.02.06	4437	4471	4566	4595	4693	4718
01.02.06	4480	4406	4615	4527	4729	4647
02.02.06	4400	4379	4542	4502	4640	4608
03.02.06	4395	4437	4520	4560	4625	4671
04.02.06	4426	4420	4560	4540	4665	4652
06.02.06	4430	4437	4550	4558	4636	4680

## WEATHER WATCH (06.02.06)

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

#### Weather Outlook

Most parts of the country except parts of NE states and south peninsular India are experiencing mainly dry weather conditions. Such a situation may continue for another 3-4 days. Most parts of the country continue to witness above normal day and night temperatures.

The predictions suggest fall in night temperature over North and Central India during next 24 hours. Northeastern parts of the country may also experience fall in day and night temperatures during next 2 days.

A weak western disturbance is likely approach NW India by 7th February, which may cause isolated rainfall/snowfall in hilly region of NW India. Under its influence, there could be slight rise in night temperatures over NW India beginning from 7th February 2006.

**NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]**  
Night temperatures are expected to fall by 1-2 deg C during next 24 hours. Another western disturbance is likely to approach NW India by 7th Feb. 2006 causing isolated rain/snowfall in hilly region beginning from 7th Feb.

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

The region is likely to experience mainly dry weather during next 5 days except isolated rains in Arunachal Pradesh, Assam, Sub-Himalayan West Bengal & Sikkim during next 24 hours. The region may experience fall in day and night temperatures during next 2 days.

**CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]**

Mainly dry weather is likely to prevail. Slight fall (1-2 Deg C) in night temperature is expected during next 24 hours.

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

South Tamil Nadu is likely to receive isolated rain during next 24 hours. Remaining parts may experience mainly dry weather condition.

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

Mainly dry weather is expected to prevail. Night temperatures are likely to fall by 1-2 deg C during next 2 days.

Source: GOI (NCMRWF & IMD)

## TECHNICAL ANALYSIS

### Commodity: Guar Seed

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

#### NCDEX February Contract

**Candlestick:** Formation of candlestick is showing a slightly bullish pattern and steady to firm opening.

**Stochastic:** The stochastic is moving upwards, the %K- line along with the %D-line moving upwards in the normal region, indicating further uptrend.

**MACD:** The MACD (5-day) has made a bearish crossover with its EMA and moving downwards in the negative region, hinting weakness in the market.

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

#### Market Outlook:

Guar seed futures are expected to witness a moderately upward trade in the coming week. However, the futures are likely to get resisted and may move downwards during the later half of the coming week.



**Commodity: Guar Gum**

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

**NCDEX February Contract**

**Candlestick:** Formation of candlestick is showing a slightly bullish pattern and steady to firm opening.

**Stochastic:** The stochastic is moving upwards, the %K-line along with the %D-line moving upward in the normal region, showing further uptrend.

**MACD:** The MACD (5-day) has made a bearish crossover with its EMA and moving downwards in the negative region, hinting weakness in the market.

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

#### **Market Outlook:**

Guar gum futures are expected to trade moderately upward in the coming week. However, the futures are likely to get resisted and may move downwards during the later half of the coming week



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