

## GUAR SEED and GUAR GUM

February 07- 13, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Firmed Up on Increased Demand
- Guar Futures: Surged Up on Monday on Speculative Buying

### MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week at a higher ground, but immediately ran into profit taking and curbed the advances. The futures mostly traded range bound thereafter through mid-week on alternate buying and selling interest amidst thin trading activity. However, the guar seed futures turned downwards at the weekend on increased selling pressure. The guar seed futures surged up on Monday on increased speculative buying amidst heavy volume of trade. The open interest has declined throughout this week, while the volume of trade has jumped up on Monday after remaining at the lower side. The arrivals at the major physical markets declined gradually during this week. At the Jodhpur market it was quoted in the range of Rs 1800-1835 per quintal in this week under review as against the last week. At the Bikaner market it was offered between Rs 1675-1700 per quintal, while at the Nokha market it was traded in the range of Rs 1595-1640 per quintal in this week. At the Sriganganagar market it was available in the range of Rs 1585-1600 per quintal, while at the Shiwani market it was quoted in the range of Rs 1640-1660 per quintal during this week under review.

The guar physical markets remained mostly range bound during the major half of this week under review. However, the prices of guar seed as well as guar gum were quoted much higher on Monday. The arrivals at the major physical markets are reported to be lower at around 10000-12000 bags. The demand from stockists, millers and export houses remained higher, but activity was limited at the higher price levels. Traders attributed the upsurge in guar prices at the physical markets to speculative activity at the futures market on Monday. The spillover strength from the futures market has supported the uptrend in guar prices at the physical market. Amidst such situations, the prices of guar seed are expected to move moderately upwards in the coming week. However, some downward movement is likely 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	
06.02.06	1690	1810	1785	1610
13.02.06	1700	1835	1810	1640
Change	+10	+25	+25	+30

### Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed on an average a range bound trade during this week. However, the futures surged up during Monday's trade on increased speculative buying amidst heavy volume of trade.

At the physical markets guar gum was quoted in the range of Rs 4525-4625 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
06.02.06	1688.10	1711.10	4553.35
07.02.06	1680.30	1699.80	4520.35
08.02.06	1698.10	1706.90	4556.90
09.02.06	1698.05	1711.90	4550.30
10.02.06	1696.95	1706.15	4552.85
11.02.06	1687.50	1704.15	4544.70
13.02.06	1716.45	1724.70	4586.05
Change (Rs)	+28.35	+13.60	+32.70

#### Guar Seed Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
06.02.06	1726	1732	1765	1772	1805	1813
07.02.06	1734	1721	1772	1762	1814	1806
08.02.06	1718	1725	1764	1765	1804	1809
09.02.06	1725	1733	1765	1774	1812	1816
10.02.06	1735	1729	1773	1766	1811	1806
11.02.06	1728	1722	1764	1758	1806	1800
13.02.06	1719	1747	1755	1788	1798	1836

## Guar Gum Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
6.02.06	4430	4437	4550	4558	4636	4680
7.02.06	4432	4419	4565	4536	4684	4661
8.02.06	4415	4423	4546	4539	4658	4671
9.02.06	4430	4436	4545	4557	4670	4683
0.02.06	4440	4424	4560	4539	4685	4655
1.02.06	4430	4393	4552	4512	4652	4633
3.02.06	4395	4464	4510	4590	4635	4721

## WEATHER WATCH (13.02.06)

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

#### Weather Outlook

Most parts of the country are experiencing mainly dry Baring J&K and Himachal Pradesh where isolated light rain/ snowfall activity is expected during next couple of days in association with an approaching weak western disturbance, the entire country may continue to experience mainly dry weather situation for another 3-4 days. Most parts of the country are witnessing above normal day temperatures. These are 6-8 deg C above normal over Jammu & Kashmir, Rajasthan, Uttaranchal, Himachal Pradesh, 4-6 deg C above normal over Punjab, Haryana, Gujarat and 2-4 deg. C above normal over Uttar Pradesh, Madhya Pradesh, Bihar, Chhattisgarh and northeastern

states. Large parts of Northwest India have registered rise in night temperatures by 1-2 deg. C during past 24 hours. These are above normal by 4-6 deg C over West Rajasthan, Saurashtra & Kutch, West Madhya Pradesh and parts of Vidarbha, 2-4 deg C above normal over remaining parts of northwest India, Gangetic plains and northeastern states. With the approach of western disturbance, the night temperatures over northwest India are likely to increase further by 1-2 deg C during next 2 days followed by a fall by about 2-3 deg C.

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

Increase in night temperatures by about 1-2oC during next 2-days and a likely fall of 2-3oC subsequently. Isolated rainfall/snowfall is likely over J&K and H.P. during next 2-3 days.

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

Northeastern states may receive isolated rains/thundershowers during next 48 hours.

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

Mainly dry weather is likely to prevail during next 4-5 days

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

Mainly dry weather is likely to prevail during next 3-days except over Andaman & Nicobar islands where some isolated showers are expected.

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

Mainly dry weather is expected to prevail.

Source: GOI (NCMRWF & IMD)

## TECHNICAL ANALYSIS

Commodity: **Guar Seed**

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

NCDEX March Contract

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

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

**MACD:** The MACD (5-day) has made a bullish crossover with its EMA and moving upwards in the negative region, hinting strength 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 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 March Contract**

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

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

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

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

#### **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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