

## GUAR SEED and GUAR GUM

March 27<sup>th</sup> -April 01<sup>st</sup> 2006

### MAJOR ACTIVITY HIGHLIGHTS

- **Guar Up in Physical Markets on Good Demand Amidst Steady Arrival**
- **Guar Futures: Reached at Higher Levels with Mix Sentiments**

### MARKET COMMENTARY OF MAJOR MARKETS

The guar futures at the NCDEX started this week with a bullish note and reached at higher levels comparing to last day of the previous week. The futures witnessed much higher levels at the very next day followed by down tone sentiments for rest of the week under review. At the weekend the April contract traded at some down level with bearish sentiments and settled at negative territory with some losses finally. The arrivals at the major physical markets were reported to be steady at the lower sides during this week under review. The steady arrivals coupled with increased demand pushed up the guar seed prices in majority of the market in the country. At the Jodhpur market it was quoted in a higher range of Rs 1825-1850 per quintal in this week under review. At the Bikaner market it was offered higher levels also in the range of Rs 1710-1740 per quintal, while at the Nokha market it was traded at Rs.1670 per quintal in this week. At the Sriganganagar market it was available at Rs.1600-1615 per quintal, while at the Shiwani market it was quoted higher in the range of Rs 1670-1690 per quintal during this week under review.

The guar physical markets witnessed a sharply bullish trade at this week as against last week under review. However, the prices quoted comparatively down at weekend. The arrivals at the major physical markets are reported to be steady at the lower sides. The traders attributed better demands from stockists as well as millers in this week as against last week. Moreover, the higher sentiments at the futures market had also underpinned the physical market sentiments. Traders are optimistic about the good demand at the current price levels stay on further. However, according to them arrivals of the guar seed would be the governing factors for coming day's market sentiments. Amidst such situation, the prices of guar seed are expected to witness some range bound movement in the coming week. However, there is a possibility of some downward correction from the higher price levels, as activity remains quiet at higher price levels.

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

| Date          | Bikaner | Jodhpur   |           | Nokha  |
|---------------|---------|-----------|-----------|--------|
|               |         | B line    | M line    |        |
| 25.03.06      | 1690    | 1830-1835 | 1805-1810 | 1653   |
| 01.04.06      | 1715    | 1825-1830 | 1800-1805 | Closed |
| <b>Change</b> | +25.00  | -5.00     | -5.00     | -      |

### Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed on an average a similar sentiment as of the guar seed futures. The guar gum futures traded mostly higher sides on increased buying interest throughout the week and April contract tested significantly high at Tuesday. However, the futures traded with bearish sentiments at the weekend.

At the physical markets guar gum was quoted range bound with firm undertone in the range of Rs 4675-4750 per quintal in Jodhpur market during this week. The prices of guar gum are expected to witness some downward movement in the coming week. However, some upward correction is likely from the lower price level later on in the coming week.

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

| Dates         | Bikaner | Jodhpur | Guar Gum |
|---------------|---------|---------|----------|
| 25.03.06      | 1729.00 | 1729.30 | 4676.00  |
| 27.03.06      | 1744.75 | 1743.75 | 4729.15  |
| 28.03.06      | 1768.10 | 1758.35 | 4807.35  |
| 29.03.06      | 1741.10 | 1738.20 | 4744.35  |
| 30.03.06      | 1738.55 | 1731.95 | 4697.35  |
| 31.03.06      | 1742.55 | 1734.30 | 4694.00  |
| 01.04.06      | 1695.50 | 1713.30 | 4672.90  |
| <b>Change</b> | -33.50  | -16.00  | -3.10    |

### Guar Seed Futures Prices at NCDEX

| Dates    | April Contract |       | May Contract |       | June Contract |       |
|----------|----------------|-------|--------------|-------|---------------|-------|
|          | Open           | Close | Open         | Close | Open          | Close |
| 25.03.06 | 1803           | 1816  | 1852         | 1871  | 1885          | 1910  |
| 27.03.06 | 1830           | 1835  | 1877         | 1894  | 1917          | 1932  |
| 28.03.06 | 1835           | 1837  | 1896         | 1897  | 1928          | 1938  |
| 29.03.06 | 1836           | 1816  | 1895         | 1872  | 1935          | 1914  |
| 30.03.06 | 1823           | 1811  | 1880         | 1869  | 1913          | 1909  |
| 31.03.06 | 1814           | 1814  | 1865         | 1870  | 1917          | 1912  |
| 01.04.06 | 1815           | 1802  | 1870         | 1857  | 1918          | 1900  |

## Guar Gum Futures Prices at NCDEX

| Dates    | April Contract |       | May Contract |       | June Contract |       |
|----------|----------------|-------|--------------|-------|---------------|-------|
|          | Open           | Close | Open         | Close | Open          | Close |
| 25.03.06 | 4621           | 4663  | 4735         | 4771  | 4855          | 4867  |
| 27.03.06 | 4700           | 4735  | 4750         | 4849  | 4871          | 4948  |
| 28.03.06 | 4700           | 4751  | 4835         | 4864  | 4940          | 4970  |
| 29.03.06 | 4750           | 4694  | 4855         | 4800  | 4964          | 4908  |
| 30.03.06 | 4718           | 4668  | 4825         | 4776  | 4925          | 4883  |
| 31.03.06 | 4670           | 4700  | 4765         | 4794  | 4900          | 4893  |
| 01.04.06 | 4720           | 4666  | 4800         | 4761  | 4905          | 4856  |

## WEATHER WATCH (02.04.06)

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

#### Weather Outlook

The prevailing Western disturbance over NW India is showing eastward movement. With the result, the rainfall/snowfall activity over the hilly region, is likely to decrease. On the other hand, the rainfall activity over north-eastern states, West Bengal, Jharkhand, Orissa is expected to increase beginning from tomorrow for next 2-3 days. Scattered to fairly widespread rain/thundershowers accompanied with isolated hail/ squalls are likely over these areas. Baring above areas and parts of extreme south

peninsula, most parts of the country are experiencing mainly dry weather situation. Such a situation may continue for another 3-4 days. Due to prevalence of dry westerly to west-north-westerly winds over Central and North India, the day temperatures over these regions are likely to increase gradually during next 5 days.

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

Isolated to scattered rain/snow is expected over hilly regions of northwest India viz. Jammu and Kashmir, Himachal Pradesh and Uttaranchal during next 24 Hrs.

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

Scattered to fairly widespread rain/thundershowers accompanied with isolated hail/ squalls are likely over NE States, West Bengal, Orissa, and Jharkhand

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

Chattisgarh is likely to experience isolated thunderstorm activity during next 2-3 days. Mainly clear weather is likely to prevail over rest region.

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

Isolated to scattered rainfall is expected over Bay Islands, coastal Tamilnadu and Kerala during next 2-3 days.

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

Mainly dry weather may prevail over the region.

Source: GOI (NCMRWF & IMD)

## TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX April Contract

**Candlestick:** Formation of candlestick is showing a slightly bearish sentiment and steady to weak opening.

**Stochastic:** The stochastic is moving downwards, the %K-line after cutting %D-line from the above moving downward in the over sold region, hinting downtrend and possibility of technical correction.

**MACD:** The MACD (5-day) along with its EMA moving downwards. The MACD likely to cross its EMA. Showing moderately weakness in the market.

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

#### Market Outlook:

Guar seed futures are expected to witness a downward trade in the first parts of coming week. However, the futures are likely to get supported and may move northwards during the later half of the coming week.



**Commodity:** Guar Gum

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

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