

## GUAR SEED and GUAR GUM

January22th -January29nd '2007

### MAJOR ACTIVITY HIGHLIGHTS

- **Guar Futures: Lacklustre**
- **Spot Prices Observed Steady to Weak**

### MARKET COMMENTARY OF MAJOR MARKETS

#### Guar Physical Market

The guar spot market witnessed on an average a steady sentiment during this week under review. The prices of both the guar seed as well as guar gum were quoted steady to lower this week as against the last week. Arrivals stood steady at 300 bags in Nokha, 1100 bags in Bikaner. Overall arrivals at the major spot markets remain steady at 15000-16000 bags a day, as the farmers are unwilling to release their stock at lower price level. Stockist's activity remains silent during the week. They are in wait and watch state and looking forward for higher prices in futures to intent byaz-badla (Buy in spot and Sell in futures). However, slight demand from millers observed during the week on lower guar seed prices. Moreover, the ban of futures trading on tur and urad coupled with weakness in the guar futures market, affected the trading activities in market. At the Bikaner market guar seed was quoted in the range of Rs.1840-1860 per quintal, while in Jodhpur market, prices remained unchanged at Rs. 1940-2000 per quintal. At the Jodhpur market prices of guar gum offered in the range of Rs.4888-5018 per quintal during this week.

#### Guar Futures Market

Increased selling pressure at the higher levels traded down the NCDEX guar futures during the week. In the NCDEX, The March guar seed contract tumbled down at Rs. 1966 per Qtl. with more or less steady open interest as well as decreased volumes as compare to last week and hovered in the range of Rs.1952-2029 per qtl during the week. The stock Position of guar seed at NCDEX accredited Warehouses as on 24-Jan-07 is reported to higher about 21336 MT. In the MCX also the March guar seed contract slid down at Rs.1963 per Qtl. and hovered in the range of Rs.1948-2024 during the week. The volume as well open interest has decreased. Stochastic is in normal region and moving upwards. MACD is in negative territory and moving upwards. The guar sentiment is likely to move upwards during the coming week.

#### Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Particular	Centre	Date		Change
		27.01.07	20.01.07	
Guar Seed	Bikaner	1840	1860	-20
	Jodhpur	1950	2000	-50
	Nokha	1800	1810	-10
	Sriganganagar	1745	1765	-20
Guar Gum	Jodhpur	4888	5018	-130

#### Price Movement of Guar Seed and Gum at NCDEX

(Prices in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
22.01.07	1881.50	1874.35	5076.50
23.01.07	1878.90	1876.40	5031.00
24.01.07	1831.00	1833.85	4973.15
25.01.07	1837.50	1836.45	4951.70
27.01.07	1845.00	1839.55	4910.70
29.01.07	1861.90	1860.95	4950.25
Change	-19.60	-13.40	-126.25

## Guar Seed Futures Prices at NCDEX

Dates	Feb. Contract		Mar. Contract		April. Contract	
	Open	Close	Open	Close	Open	Close
20.01.07	1964	1962	1962	2013	2032	2051
22.01.07	1984	1982	1982	2018	2042	2055
23.01.07	1990	1986	1986	2015	2055	2053
24.01.07	1972	1982	1982	1970	2045	2006
25.01.07	1937	1937	1937	1965	2005	2000
27.01.07	1925	1935	1935	1970	2004	2008

## Guar Gum Futures Prices at NCDEX

Dates	Feb. Contract		Mar. Contract		April. Contract	
	Open	Close	Open	Close	Open	Close
20.01.07	4928	4937	4980	5015	5090	5112
22.01.07	4932	4939	5011	5014	5128	5127
23.01.07	4923	4924	5035	5004	5100	5098
24.01.07	4861	4800	4975	4881	4902	4961
25.01.07	4810	4799	4919	4880	4994	4972
27.01.07	4800	4818	4961	4898	4977	4991

## PRICE DRIVERS:

1. Higher production as compared to previous year
2. Unwillingness of stockists as well as farmers to take out their stocks in expectation of price rise
3. Lower export prices of Pakistani guar compared to Indian guar
4. Speculation of higher export in near future on depleting Pakistani stocks
5. Slight demand from millers
6. Arbitrage interest of traders

## OUTLOOK:

**Short Term (1 Week):** Range bound with firm biasness on steady demand amidst decreasing arrivals at lower price levels.

**Medium Term (1 Month):** Firm on the anticipation of rising export demand amidst depleting stocks.

**Long Term (3 Months):** Bullish amidst expectation of higher domestic as well as export demand amidst meager arrivals.

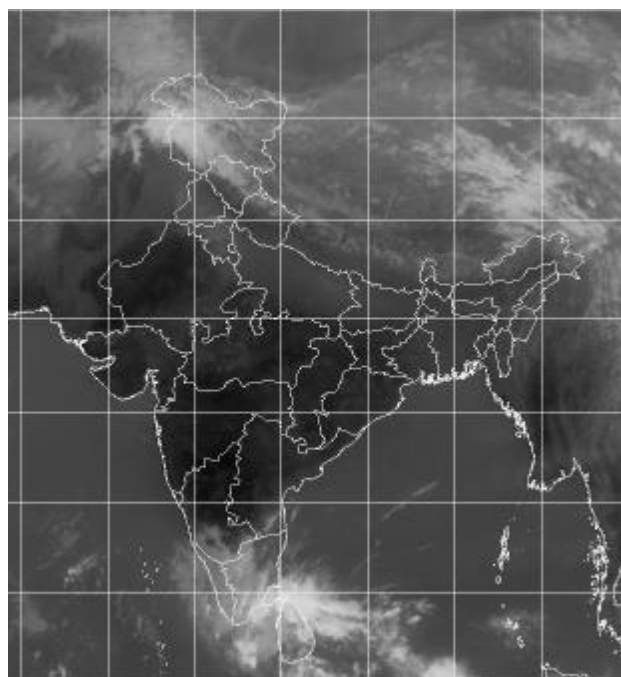
## METEOROLOGICAL ANALYSIS (29.01.07)

- A western disturbance as an upper air system lay over Pakistan & adjoining Jammu & Kashmir on 18th, over Jammu & Kashmir and neighbourhood on 19th and moved away eastwards on 20th.
- An upper air cyclonic circulation extending up to lower tropospheric levels lay over Assam & neighbourhood on 21st and moved away eastwards thereafter.
- Last week's cyclonic circulation at lower levels over Gangetic West Bengal & neighbourhood became less marked on 18th.

## Outlook For The Week Ending On January 31st 2007

- A fresh western disturbance as an upper air system is likely to affect Western Himalayan region during second half of the week.

Source: GOI (IMD)



## SATELLITE PICTURE OF MONSOON PROGRESS (27.01.07)

## TECHNICAL ANALYSIS

**Commodity:** Guar Seed

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

**NCDEX February Contract**

**Candlestick:** Formation of Candlestick pattern exhibits bullish sentiment.

**Stochastic:** The stochastic is in positive region and moving downwards.

**MACD:** MACD is in negative territory and moving slightly upwards.

**Alignment pattern:** The alignment pattern of moving averages is supporting the sideways movement with firm biasness.

### Market Outlook:

The guar seeds futures are likely to remain rangebound with firm undertone on improve demand from millers and steady arrivals in the coming week. However, sluggish export scenario as well as profit taking interest would pressurize the tone at higher levels.



## TECHNICAL ANALYSIS

**Commodity:** Guar Gum

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

**NCDEX February Contract**

**Candlestick:** Formation of Candlestick pattern exhibits bearish sentiment.

**Stochastic:** The stochastic is in positive region and moving upwards.

**MACD:** MACD is in negative territory and moving slightly upwards.

**Alignment pattern:** The alignment pattern of moving averages is supporting the sideways movement with weak biasness.

### Market Outlook:

The guar gum futures are likely to remain rangebound with firm undertone on improve demand from millers and steady arrivals in the coming week. However, sluggish export scenario as well as profit taking interest would pressurize the tone at higher levels.



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