

## GUAR SEED and GUAR GUM

January 8th - January 15th '2007

### MAJOR ACTIVITY HIGHLIGHTS

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

### MARKET COMMENTARY OF MAJOR MARKETS

#### Guar Physical Market

The guar physical markets witnessed a thin trading in this week under review. The prices of both the guar seed as well as guar gum were quoted mostly steady to firm in this week as against the last week. The crop arrivals at the major physical markets remained steady to higher and it is reportedly noted at 18000-22000 bags in all over India as the Stockists are slowly releasing their stock in the market at higher price levels. Lower demands from buyers are witnessed at the higher price levels. The Stockists interest in byaz badla in the futures market has reduced the arrivals in the market yards. The futures market movement directly influences the spot prices. Traders are expecting that the prices of both the guar seed as well as guar gum would witness some upward movement in the coming days due to increase demand from domestic as well as export sectors amidst depleting stocks. The millers demand is expected to increase at higher guar gum price coupled with lower guar seed prices. The disparity in prices will help them to make profit. At the Bikaner market guar seed was quoted in the range of Rs.1860-1930 per quintal, while at the Jodhpur market it was offered between Rs. 2000-2015 per quintal. At the Jodhpur market prices of guar gum offered in the range of Rs.5096-5252 per quintal during this week.

#### Guar Futures Market

NCDEX guar futures tumbled down during the week on selling pressure. In the NCDEX, The February guar seed contract traded down with lower open interest and sharply decreased volume as compare to last week and traded at Rs. 1974 per qtl. as against previous week's closing of Rs.2041 per qtl and hovered in the range of Rs.1968-2060 per qtl during the week. The stock Position of guar seed at NCDEX accredited Warehouses as on 11-Jan-07 is reported to higher about 19414 MT. In the MCX also the February guar seed contract slid down and hovered in the range of Rs.1970-2060 during the week. The volume as well open interest decreased sharply. Stochastic is in normal region and moving downwards. MACD is in negative territory and moving slightly downwards. The guar sentiment is likely to remain rangebound with firm biasness during the coming week.

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

(Prices in Rs/qt)

Particular	Centre	Date		Change
		13.01.07	06.01.07	
Guar Seed	Bikaner	1835	1840	-5
	Jodhpur	1950	2000	-50
	Nokha	1820	1804	+16
	Sriganganagar	1785	1790	-5
Guar Gum	Jodhpur	5018	5148	-130

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

(Prices in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
08.01.07	1911.65	1890.25	5167.20
09.01.07	1926.45	1911.40	5222.55
10.01.07	1907.70	1888.85	5107.40
11.01.07	1901.75	1874.50	5111.50
12.01.07	1880.85	1867.45	5099.65
13.01.07	1872.00	1852.15	5052.85
15.01.07	1875.00	1858.55	5041.10
Change	-36.65	-31.70	-126.10

### Guar Seed Futures Prices at NCDEX

Dates	Jan. Contract		Feb. Contract		Mar. Contract	
	Open	Close	Open	Close	Open	Close
06.01.07	2007	1986	2051	2022	2093	2061
09.01.07	1987	1998	2022	2037	2065	2079
10.01.07	2000	1984	2037	2021	2083	2063
11.01.07	1981	1995	2020	2028	2062	2069
12.01.07	1995	1945	2028	1974	2070	2013
13.01.07	1947	1950	1981	1982	2014	2021

### Guar Gum Futures Prices at NCDEX

Dates	Jan. Contract		Feb. Contract		Mar. Contract	
	Open	Close	Open	Close	Open	Close
06.01.07	5035	4975	5180	5066	5250	5161
09.01.07	4975	4985	5080	5086	5178	5182
10.01.07	5010	4978	5099	5044	5197	5163
11.01.07	4960	4961	5045	5048	5155	5141
12.01.07	4921	4838	5045	4924	5126	5017
13.01.07	4812	4851	4921	4936	5040	5027

### 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. Millers are waiting for the increase in guar gum prices.

### OUTLOOK:

**Short Term (1 Week):** Range bound with firm biasness on improves demand amidst lower arrivals.

**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.

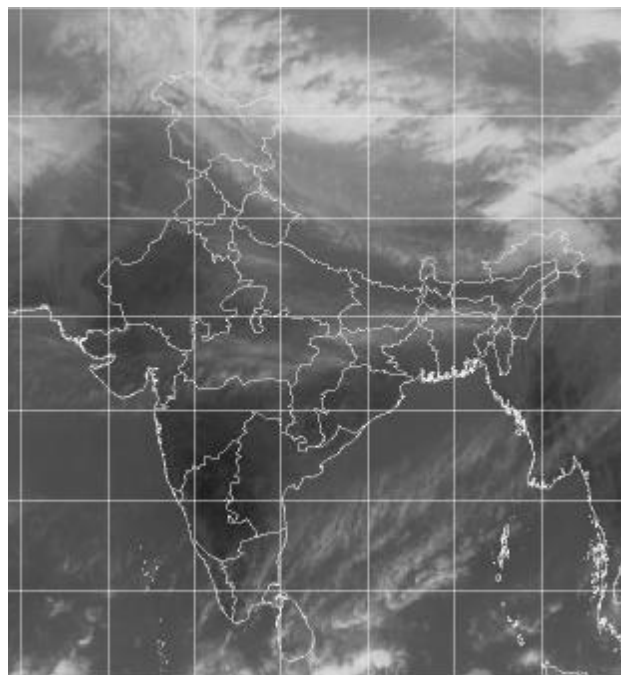
### METEOROLOGICAL ANALYSIS (15.01.07)

- A western disturbance as an upper air system lay over north Pakistan and neighbourhood on 4th & 5th, over Jammu & Kashmir and neighbourhood on 6th and moved away eastwards on 7th.
- Another western disturbance as an upper air system lay over north Pakistan and adjoining Jammu & Kashmir on 9th and moved away eastwards on 10th.
- An upper air cyclonic circulation extending upto lower tropospheric levels lay over Assam and neighbourhood during many days of the week.
- A weak easterly wave affected Nicobar Islands and extreme south peninsula during the week.

### Outlook For The Week Ending On January 17th 2007

- Cold wave conditions are likely to continue over some parts in the plains of northwest India during the week. They are also likely over East Uttar Pradesh and Bihar from middle of the week.
- A fresh western disturbance is likely to affect western Himalayan region towards end of the week.

Source: GOI (IMD)



**SATELLITE PICTURE OF MONSOON PROGRESS (15.01.07)**

## TECHNICAL ANALYSIS

**Commodity:** Guar Seed

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

**NCDEX January Contract**

**Candlestick:** Formation of Candlestick pattern exhibits indecisive market.

**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 January Contract**

**Candlestick:** Formation of Candlestick pattern exhibits indecisive market.

**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 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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