

GUAR SEED and GUAR GUM

June 27, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum slipped down
- Guar vayda fell drastically

MARKET COMMENTARY OF MAJOR MARKETS

It rained at few places in Haryana, Punjab, Delhi and Rajasthan which pushed the prices of guar seed toward ground. Guar seed futures at NCDEX traded steep bearish today though it tried to improve marginally during last hour of the trade. All the physical markets of guar seed also traded after the futures and witnessed huge downfall. In Jodhpur market, Bikaner line 98% whitish guar seed slipped by Rs.60-70 per quintal and it was sold at Rs.1525-30 per quintal today morning but improved marginally towards evening and was available at Rs.1540-45 per quintal. Nagaur-Merta line was available at around Rs.1520 per quintal in the same market. Bikaner market witnessed the prices of guar around Rs.1450 per quintal, down by Rs.50 per quintal from previous day price. Other markets of guar seed also traded downward and settled lower.

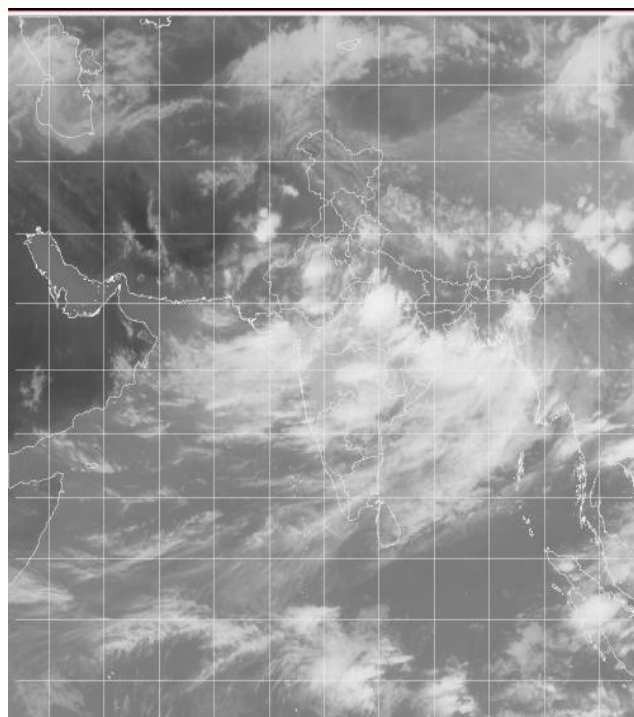
Guar gum future at NCDEX fell drastically amidst rainfall in parts of Rajasthan and neighbouring states. Following this huge bearish trade in futures, physical markets too moved down. Guar gum fell by around Rs.150-200 per quintal in Jodhpur market today where it was available at Rs.4025-75 per quintal. By-products of guar gum processing, i.e. guar Churi and guar Korma also witnessed marginal downfall and today they were sold at Rs.365 and Rs.430 per 75 kg, respectively.

The Southwest Monsoon has made a good progress and has reached upto Delhi and Eastern Rajasthan. Jaipur, Alwar, Ajmer etc. witnessed good amount of rainfall yesterday night and today morning. This was the main factor contributed in pushing down the prices. In Jodhpur also partly cloudy weather was observed today. If Jodhpur or other guar growing areas of Rajasthan witness good rains tomorrow, prices will come down otherwise it should take a rest from falling continuously down.

Salient points of the day

- Rains in Jaipur, Alwar, Ajmer, Khairthal last night and today early morning.
- Monsoon has made further advancement upto Delhi, Jaipur.
- Steep downfall in guar seed and gum prices in futures as well as spot markets.

Satellite Image Showing Monsoon Cloud Cover Over Indian Sea at 5:30PM
(Source:IMD)



Prices and arrivals of Guar seed and guar gum in major markets

CommodityCentres	25.06.05	27.06.05	Change
Guar seed: Bikaner	1490-1500	1450	-50
Jodhpur-B line	1600	1540	-60
Jodhpur-M line	1580	1520	-60
Nokha	1400	1360	-40
Alwar	1650-55	-	-
Khairthal	1350	-	-
Ganganagar	1490	1430	-60
Guar Gum:	4225	4075	-150

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	305	297.2		

Price movements at Bikaner Vayda

Bikaner guar seed vayda opened at 297.2 and circuit closed immediately.

WEATHER WATCH

(Forecast as on June 27, 2005- for next 5 days)

Weather Systems:

Southwest monsoon has advanced over some more parts of Gujarat, entire east Madhya Pradesh and east Uttar Pradesh; most parts of west Madhya Pradesh and Uttranchal and some parts of south east Rajasthan, west Uttar Pradesh and Himachal Pradesh. The northern limit of monsoon passes through Nalia, Ahmedabad, Kota, Gwalior, Bareilly, Dehradun, Sundernagar, 32 deg. N/79 deg. E.

An upper air cyclonic circulation is developing over north Bay of Bengal. The circulation is likely to descend down and concentrate into a low pressure system within next 24 Hrs. With the formation of low pressure system, monsoon activity over Central India is likely to enhance during next 3 days.

Conditions are favourable for further advancement of monsoon over remaining parts of West Uttar Pradesh, Uttranchal, West Madhya Pradesh, Gujarat, Saurashtra and Kutch, and some more parts of east Rajasthan, Himachal Pradesh and parts of Haryana (including Delhi), Punjab and Jammu & Kashmir during next 2-3 days.

A weak western disturbance is likely to approach J&K and adjoining area by during 30 June -1July05. Under the combined influence of this and monsoonal winds, scattered to fairly wide spread rainfall may occur over certain parts of hilly regions of NW India during 30June-1July.

Rainfall:

Fairly widespread rainfall is likely over Uttranchal, West Uttar Pradesh during next 24 hours. Scattered rains are also likely over Himachal Pradesh during next 24 hours.

Fairly wide spread to Widespread rains are expected over Konkan & Goa, Vidarbha, East Madhya Pradesh, Chattisgarh, Orissa, West Bengal and Northeastern States during next 3-4 days.

Fairly wide spread rainfall is likely over Andaman & Nicobar Islands, Coastal and North Interior Karnataka, Kerala, North Coastal Andhra Pradesh, North Telanagana, Lakshadeep during the week.

Scattered to fairly wide spread rainfall is likely over West Madhya Pradesh, Jharkhand and Bihar, Madhya Maharashtra, Marathawada, Gujarat region, Saurashtra &

Kutch and East Rajasthan and Haryana during later part of the week.

Isolated to Scattered rainfall is likely over Tamilnadu, Rayalaseema, South Interior Karnataka. Isolated rainfall is likely over west

Forecast for next 24 hours

North : rain/thundershowers likely at many places over Uttaranchal, Punjab, Himachal Pradesh, west Uttar Pradesh, Haryana including Chandigarh and Delhi and at a few places in the rest region.

East : rain/thundershowers likely at many places in Gangetic West Bengal, Orissa, east Madhya Pradesh and Chhattisgarh and at a few places over the rest region.

South : rain/thundershowers likely at many places over coastal Karnataka, coastal Andhra Pradesh, Telangana and Kerala and at a few places in the rest of the region outside Tamil Nadu & Pondicherry where it may be isolated.

West : rain/thundershowers likely at most places in north Konkan, at many places in the rest region out side west Rajasthan where it may be at a few places.

Outlook for subsequent two days:

Rainfall activity over eastcentral parts of the country is likely to increase and extends westwards into central and adjoining western parts of the country.

Warning

Heavy to very heavy rainfall likely at a few places over coastal Orissa, north Konkan & south Gujarat region. Isolated heavy rainfall also likely over west Uttar Pradesh, Himachal Pradesh, Uttranchal, south Konkan & Goa, madhya Maharashtra and north coastal Andhra Pradesh.

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term
NCDEX July Contract

Candlestick:

Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Tuesday.

Stochastic:

The stochastic is moving in oversold region. %K line has crossed %D line from below, and expecting the trade towards higher side but rains may restrict the tendency.

MACD:

The MACD (5-day) is moving steeply downward below zero line and lying below its EMA, indicating that prices may further go downward.

Alignment pattern:

The alignment pattern of moving averages is now indicating towards weaker prices on Tuesday.

Guar seed traded downward steeply amid rainfall in few regions of Rajasthan but tried to improve slightly during last one hour of the trade still settled much lower. It is expected to open weaker/steady and trade range bound on Tuesday with total dependence on monsoon/rains.

Rajasthan, Haryana, Punjab etc. prices may slip tomorrow also. On the other hand, if there are no rains tonight or tomorrow morning, prices will climb slightly up so must keep an eye on Monsoon news and rains.

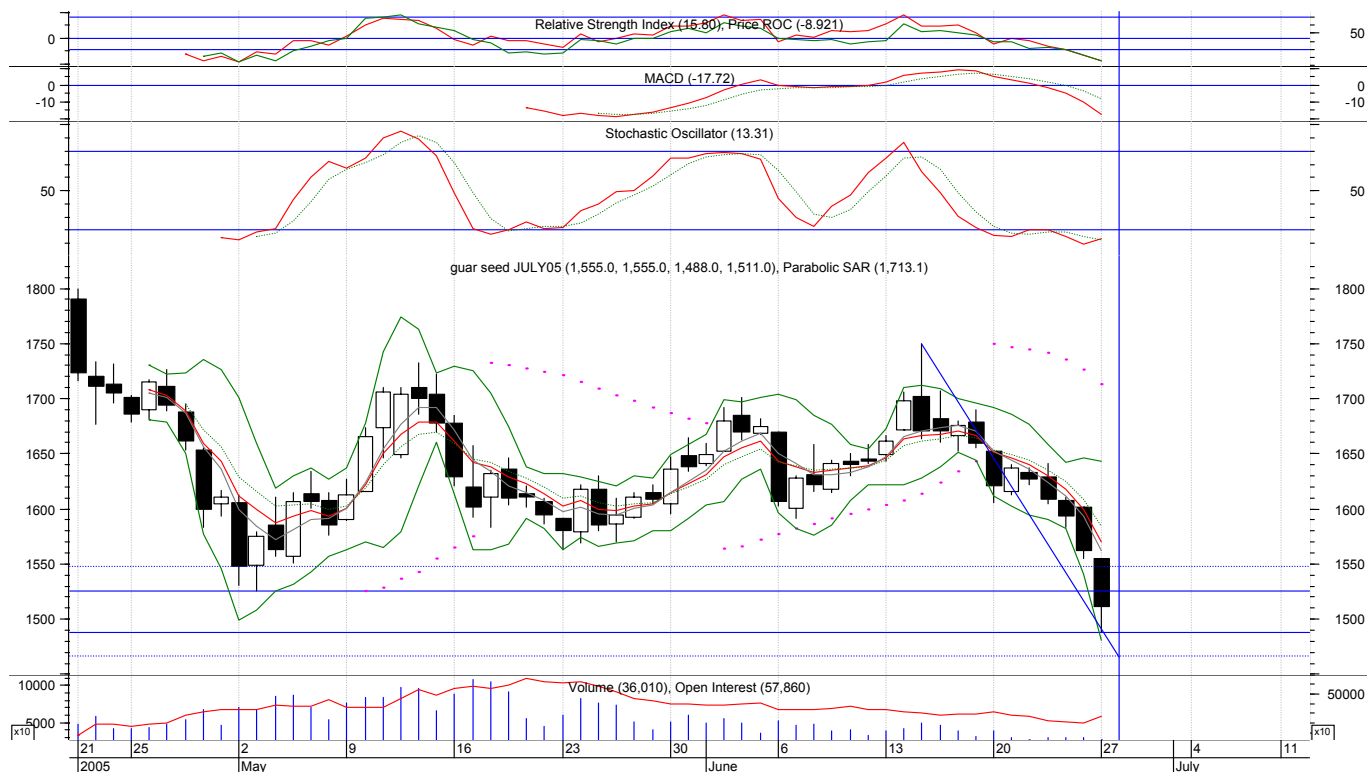
- Trade with very short-term outlook.

Market outlook:

- Prices are expected to open weaker/steady and trade range bound on Tuesday. Though, marginal technical correction towards higher side is awaited but rains (as satellite image is showing the good cloud cover over Rajasthan, Haryana and Punjab) could resist that and if the rainfalls occur in Jodhpur, or other guar growing areas of

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1488	1467	1526	1548
August	1502	1479	1541	1561



Commodity: Guar Gum
Perspective: Very Short Term

NCDEX July Contract

Candlestick:

Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Tuesday.

Stochastic:

The stochastic has turned upward and crossed its EMA from below, expecting technical correction towards higher side. %K line is lying above %D line but still lying in oversold region.

MACD:

The MACD (5-day) is moving downward and lying below its EMA, indicating that prices may slip further.

Alignment pattern:

The alignment pattern of moving averages is confirming the downward moves in prices.

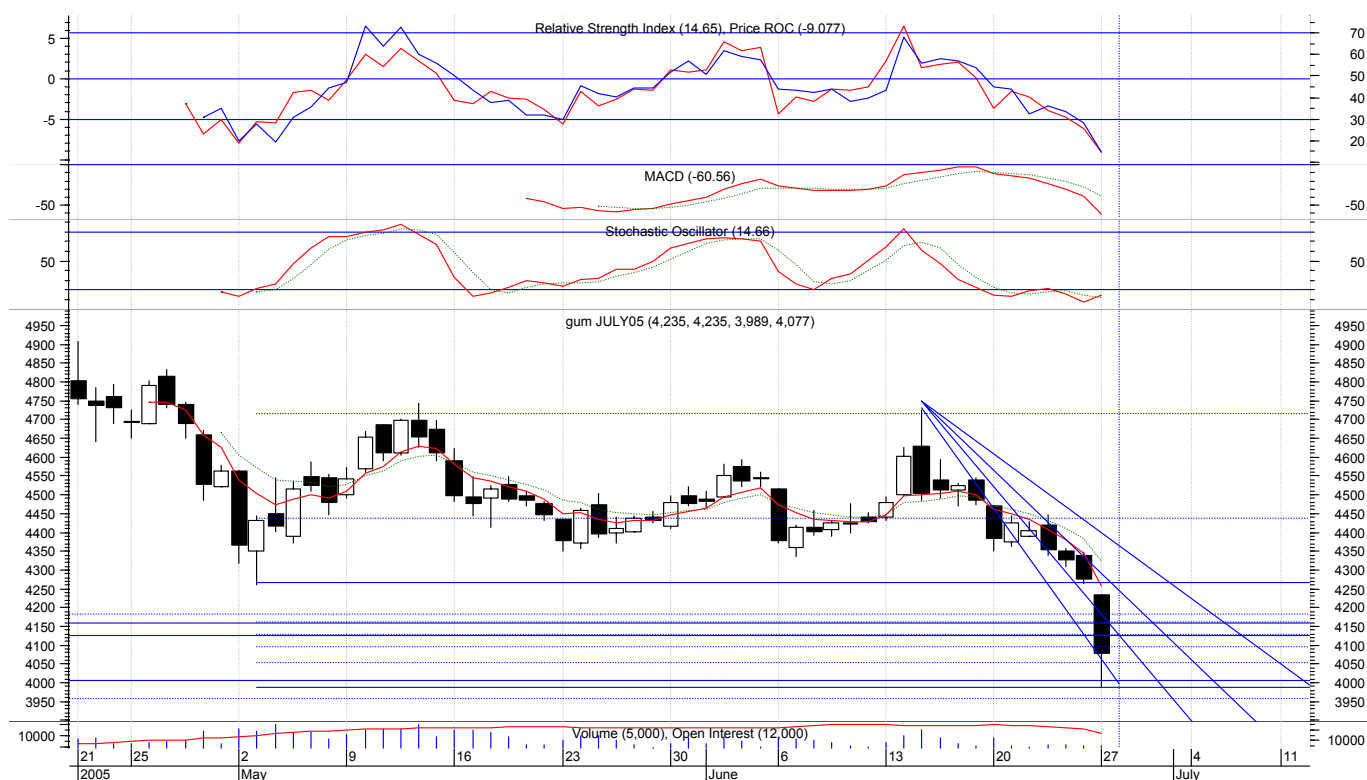
Guar gum July contract traded steep downward and settled lower. August and September contracts also followed the same. Guar gum is expected to open weaker/steady and trade in range bound next day.

Market outlook:

- Prices are expected to open weaker and trade range bound on Tuesday. Though it is expected to witness slight upward technical correction but rains in guar growing areas of Rajasthan or surrounding areas like Delhi, Haryana may push the prices downward. (Keep on tracking the monsoon news and take the steps accordingly).
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4007	3958	4125	4187
August	4085	4007	4227	4299



EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.49
European Union	Euro	52.82
United Kingdom	GBP	79.39
Japan	100 Yen	39.80

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