

GUAR SEED and GUAR GUM

June 28, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda slipped further

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded slightly downward with range bound movements and settled lower at the end. Partly cloudy sky was witnessed in Jodhpur where as Bikaner witnessed light drizzles during evening. It was the cloudy weather in Jodhpur during morning, which turned the sentiments towards bearishness. Physical markets also followed the futures and slipped further. In Jodhpur market, Bikaner line 98% whitish guar seed slipped further and was sold at Rs.1510-15 per quintal today. Nagaur-Merta line was available at around Rs.1490 per quintal in the same market. Bikaner market witnessed marginal downward moves in prices of guar seed which was available at around Rs.1425 per quintal, down by Rs.25 per quintal from previous day price. Other markets of guar seed also traded downward and settled lower.

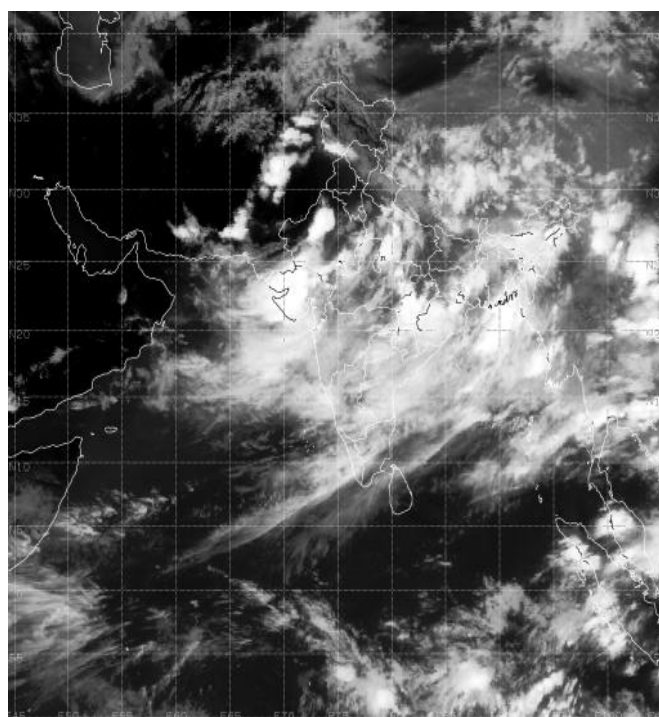
Guar gum future at NCDEX showed the movements towards lower side today and this movement was catalysed by the cloudy weather in Jodhpur and Bikaner today morning. Following this, guar gum in cash markets also traded downward. In Jodhpur market, it was available at Rs.4000 per quintal today. By-products of guar gum processing, i.e. guar Churi and guar Korma traded steady and were sold at Rs.365 and Rs.430 per 75 kg, respectively.

The Southwest Monsoon is making good progress and good rainfall is being observed in most of the states. Rajasthan is also witnessing rains but extreme western parts are still waiting for monsoon. Today's cloudy weather in Jodhpur and Bikaner was main factor responsible for downward moves in futures as well as spots. Clouds were floating over there during evening also. If these clouds are able to produce some rains tonight, prices are expected to move further downward otherwise, tomorrow's trade should be marginally higher.

Salient points of the day

- Partly cloudy weather in Jodhpur and Bikaner.
- Very light showers in Bikaner during evening.
- Light showers in parts of Khairthal, Alwar etc.
- Guar seed and gum traded range bound downward and settled lower.

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



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

CommodityCentres	27.06.05	28.06.05	Change
Guar seed: Bikaner	1450	1425	-25
Jodhpur-B line	1540	1510-15	-25
Jodhpur-M line	1520	1490	-30
Nokha	1360	1345	-15
Alwar	-	1300	-
Khairthal	-	1300	-
Ganganagar	1430	1410	-20
Guar Gum:	4075	4000	-75

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	297.2	294.7	291.7	-3

Price movements at Bikaner Vayda

Bikaner guar seed vayda opened weak and traded range bound downward. July contract of Bikaner guar vayda opened at 294.7 traded in the range of 294.7-290.2 and closed at 291.7, down by Rs.15 Per quintal from previous close.

WEATHER WATCH

(Medium Term 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 Uttaranchal 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, Uttaranchal, 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 Uttaranchal, 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

Current Weather Situation (28-06-05)

Yesterdays well marked low pressure over north west Bay & adjacent Gangetic West Bengal has moved northwestwards and concentrated into a depression. It lies today morning at 0830 hrs IST over Jharkhand and adjoining Gangetic West Bengal with its centre close to Jamshedpur. The system is likely to move in a west-northwesterly direction. The off shore trough at sea level over east Arabian sea runs from Gujarat to Konkan coast. The upper air cyclonic circulation over north Gujarat and adjoining southwest Rajasthan persists and extends between 2.1 and 5.8 km above sea.level. Tilting southwards with height. The upper air cyclonic circulation over Punjab and adjoining central Pakistan persists and extending upto 1.5 km above sea.level. The seasonal trough at 0.9 km above sea level runs from centre of above cyclonic circulation to north Bay of Bengal through Haryana, north Madhya Pradesh, Jharkhand and Gangetic West Bengal with an embedded cyclonic circulation over west Uttar Pradesh and neighbourhood which extends upto 3.1 km above sea level.

Short Term Forecast (for next 24 hours)

NORTH : rain/thundershowers likely at many places over west Uttar Pradesh, Uttaranchal and Himachal Pradesh and at a few places in the rest region outside Jammu & Kashmir where it may be isolated.

EAST : rain/thundershowers likely at most places in Gangetic West Bengal, Orissa, Jharkhand and Chhattisgarh, at many places over east Madhya Pradesh and sub-Himalayan West Bengal & Sikkim and at a few places over the rest region.

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

WEST : rain/thundershowers likely at most places over north Konkan & Goa and south Gujarat region; at many places over Saurashtra, north Gujarat region, south Konkan & Goa, madhya Maharashtra, Vidarbha and at a few places over the rest region outside west Rajasthan where it may be isolated.

Outlook for subsequent two days:

Enhanced rainfall activity over eastcentral parts of the country is likely to extend westwards into central parts of the country.

Warning

Heavy to very heavy rainfall likely at a few places over Gangetic West-Bengal, Orissa, Jharkhand, north Konkan &

south Gujarat region. Isolated heavy rainfall also likely over Chhattisgarh, east Madhya Pradesh, Vidarbha, north Gujarat, Saurashtra, south Konkan & Goa and madhya Maharashtra , Uttaranchal and Himachal 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 Wednesday.

Stochastic:

The stochastic is moving in oversold region. %K line has changed its direction and again crossed %D line from above, and expecting the trade towards lower side.

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 indicating towards weaker prices on Wednesday' trade.

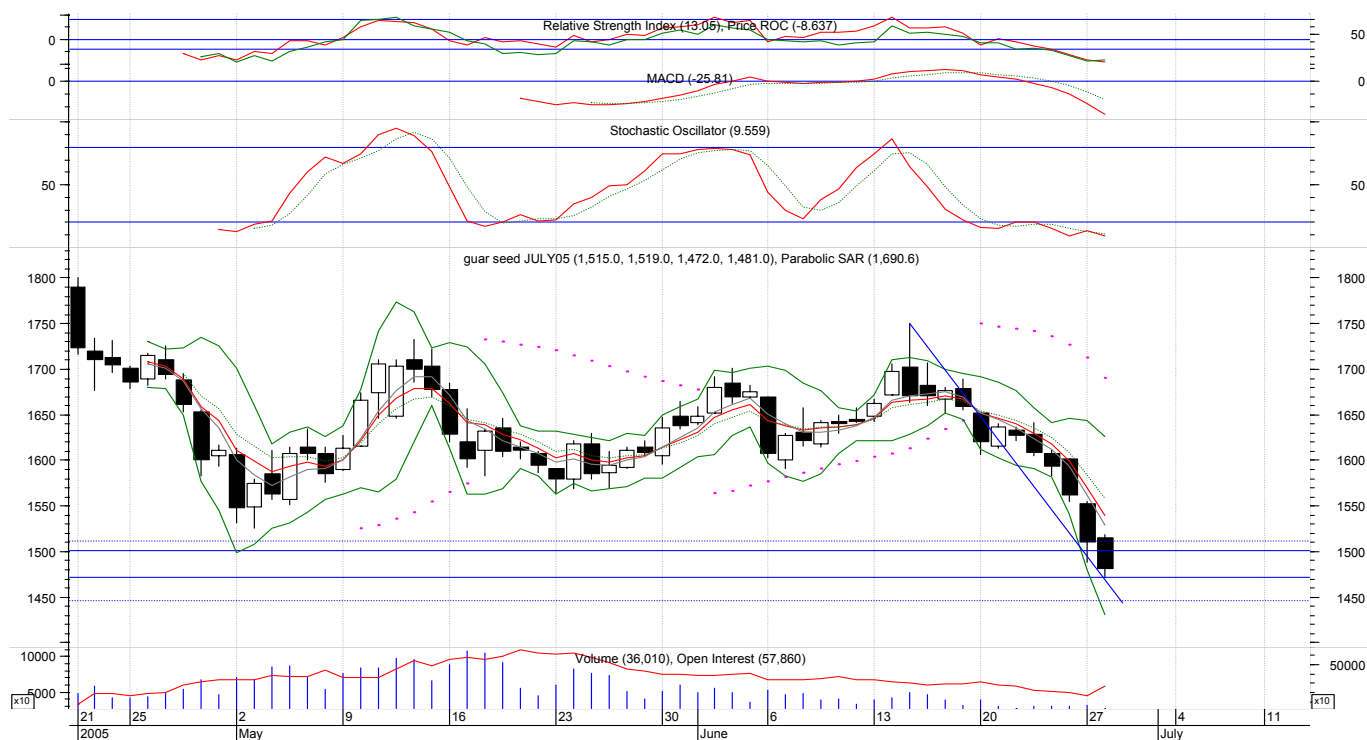
Guar seed traded downward with range bound movements amid sentiments of cloudy weather in Jodhpur today morning. It is expected to open weaker/steady and trade range bound with total dependence on monsoon/rains.

Market outlook:

- Prices are expected to open weaker/steady if it rains in Rajasthan slightly firm otherwise. It is expected to trade range bound marginally upward on Wednesday. If it rains in Jodhpur etc. tonight it will move sharply downward. On the other hand, if there are no rains tonight or tomorrow morning, prices will climb slightly up so it is advisable to keep an eye on Monsoon news and rains.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1472	1446	1501	1511
August	1485	1464	1517	1530



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 Wednesday.

Stochastic:

The %K line has turned downward and crossed %D line from above, expecting the trade towards lower side on next day.

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 indicating towards downward moves in prices.

Guar gum July contract traded range bound 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:

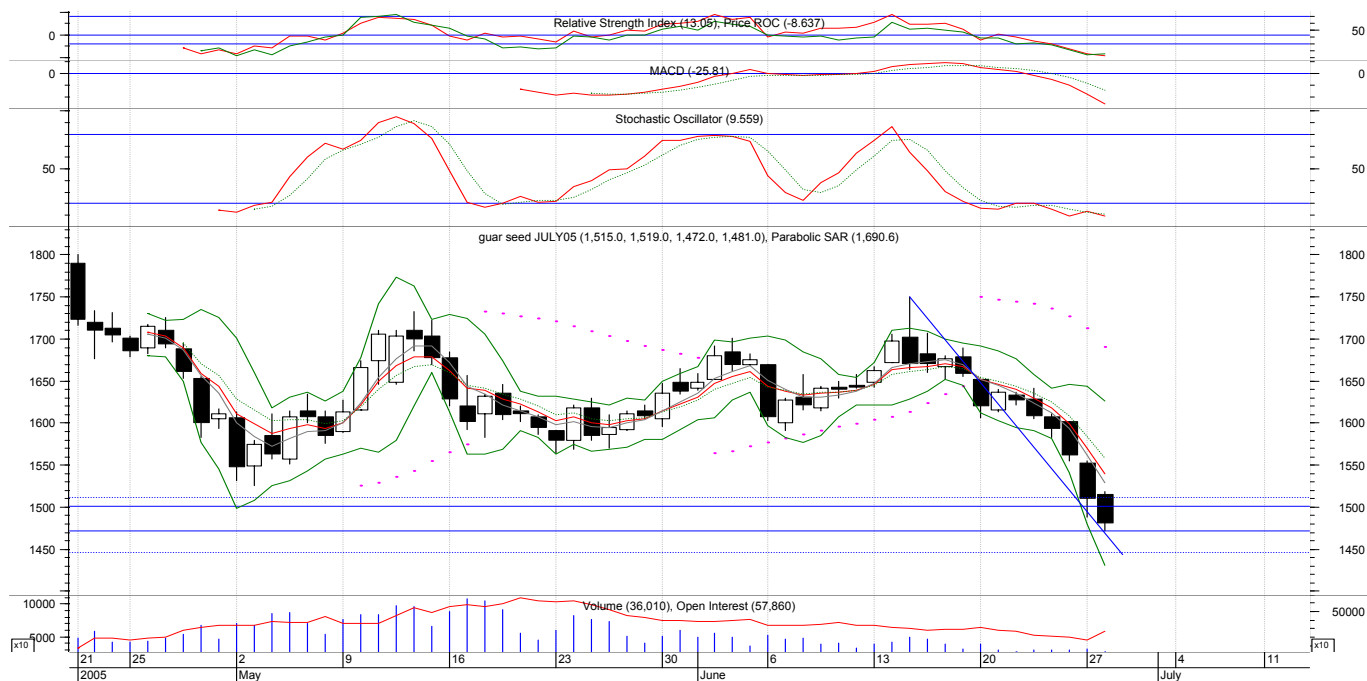
- Prices are expected to open weaker in case it rains in Rajasthan tonight, and firm otherwise. Thereafter it is expected to trade range bound marginally upward on Wednesday. If guar growing areas of Rajasthan or Haryana witness good rainfall, prices will go down and if there are no

rains tonight or tomorrow morning, it will go up marginally. (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	3972	3913	4039	4079
August	4037	3962	4125	4158

**EXCHANGE RATE**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	52.87
United Kingdom	GBP	79.42
Japan	100 Yen	39.69

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