

GUAR SEED and GUAR GUM

June 6-11, 2005

MAJOR ACTIVITY HIGHLIGHTS

Guar seed and gum traded up

Guar vayda traded range bound and settled up

MARKET COMMENTARY OF MAJOR MARKETS

There is enmity between rainfall and prices of guar seed in future as well as spot markets. If rainfall is good enough, guar prices are bound to slip down and vice versa. Now days guar is being traded completely on monsoon. One day a news enters in the market that, monsoon is normal and prices fall down on that; and other day new news comes that monsoon is weak, prices go up. This is happening these days in guar seed futures trade at NCDEX. Various rumours and news from different sources are flooding into markets and market is fluctuating on those. On Sunday, monsoon hit the Kerala coast and market collapsed on Monday. It fell further on Tuesday morning and started recovering thereafter. Overall market ended at lower ground this week.

Guar seed physical prices did not move by its own but become dependent on futures prices. In Jodhpur market, guar seed was sold for Rs.1660 per quintal at this weekend, Down by Rs.40 per quintal from last weekend's price. In other markets also, guar seed slipped this week and ended lower. In Bikaner market, it fetched a price of Rs.1560 per quintal on Saturday.

Each and every one is waiting for any confirm news on monsoon but no confirm news are coming from any government's meteorological departments regarding strength of monsoon. Most of the big players and traders in the market are in the opinion that monsoon is not progressing in normal way and also whatever is the progress, its strength is weaker. So now, the coming week has become very crucial. If monsoon is really weaker then upward movement of prices are certain. The next week most probably, will be deciding week as for as market movement is concerned.

Week at a glance

Guar seed and gum ended lower during this week.

Various contradicting news and rumours regarding monsoon and amount of rainfall are flooding in the markets.

Dust storm in major guar growing areas.

Weather report: 54% deficit rainfall during 1st week of June.

Influence of weather forecasts on future prices.

Spot Market prices and arrivals of Guar in main markets of Rajasthan

(Prices in Rs/qt and Arrivals in Quintals)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
04.06.05	1600	1690-1700	1675	1510(300)
11.06.05	1560	1660	1635	1470
Change	-40	-40	-40	-40

Figures in parentheses are market arrivals.

Market Commentary on Guar Gum and By-products

Guar gum futures at NCDEX started the week from downward trade and tried to recover during whole week but ended the week at lower ground as compared to last week. There were slight ups and down in physical markets but mostly due to stockist's activities. Slight buying support was also witnessed sometimes in the markets. In Jodhpur market, guar gum was sold at Rs.4325 per quintal during weekend.

By-products of guar gum processing i.e., Guar Churi and Guar Korma also slipped slightly and guar Churi was available at Rs.425-50 per 75 kg and Korma was quoted at Rs.510 per 75 kg during the week.

WEATHER WATCH

(Forecast for the period June 9-14, 2005)

A. Weather Systems:

Outlook:

Current rainfall activity over coastal Karnataka Kerala, Lakshadweep and Andaman & Nicobar islands is likely to continue (for next 24 hours).

Southwest Monsoon

The southwest monsoon has further advanced over some more parts of east central Arabian sea, union territory of Goa, remaining parts of Coastal Karnataka, most parts of South Interior Karnataka, remaining parts of Tamil Nadu, parts of Rayalaseema and southern parts of Coastal Andhra Pradesh, remaining parts of southwest Bay and some more parts of central Bay.

The trough at sea level now runs from Punjab to Assam across central Uttar Pradesh and south Bihar.

Conditions are favourable for further progress of South-west monsoon over some more parts of Interior Karnataka,

Rayalaseema, parts of South Coastal Andhra Pradesh and southern parts of North-eastern states during next 3-4 days.

Monsoonal activity may enhance over Bay of Bengal and southeast parts of North-Eastern states during 11-13 June 2005.

Western Disturbance

A western disturbance is likely to approach north Pakistan and adjoining J&K area by 11 June 2005. It is expected to cause isolated to scattered snowfall/rainfall during 11-12 June 2005 over hilly regions of NW India and isolated thundershowers over adjoining plains of NW India (Punjab, Haryana, Delhi and west U.P.) during the period.

B. Rainfall:

Fairly widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, Lakshdeep, Andman & Nicobar and NE States during next 3-4 days.

Isolated to Scattered rainfall/snowfall is likely over J&K, H.P. and Uttranchal during 11-12 June 2005.

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamilnadu, North Interior Karnataka during next 4-5 days and isolated thundershowers may occur over plains of NW India (North Rajasthan, Haryana, Punjab, West U.P.) during 10-12 June 2005.

C. Temperature

Parts of plains of northwest and central India are likely to experience rise in day temperature by about 1-2 degree during next 2 days.

Price movement of Guar seed and Gum at NCDEX *Vayda* Prices of guar in Rs/qt

Dates	Bikaner	Jodhpur	Guar Gum
04.06.05	1583.55	1593.25	4386.6
06.06.05	1549.05	1560.5	4272.8
07.06.05	1549.35	1559.3	4280.3
08.06.05	1560.25	1572.85	4312.05
09.06.05	1546.2	1557	4268.7
10.06.05	1559.9	1567.25	4301.65
11.06.05	1567.4	1575.25	4344.35
Change (Rs)	-16.15	-18	-42.25

Guar Seed futures prices at NCDEX

Dates	June Futures		July Futures		Aug Futures	
	Open	Close	Open	Close	Open	Close
04.06.05	1652	1655	1669	1675	1690	1694
06.06.05	1646	1596	1670	1607	1686	1617
07.06.05	1590	1615	1601	1628	1614	1643
08.06.05	1619	1611	1631	1622	1642	1633
09.06.05	1603	1626	1618	1641	1630	1655
10.06.05	1626	1624	1643	1640	1659	1654
11.06.05	1633	1629	1645	1643	1658	1659

Guar Gum futures prices at NCDEX

Dates	June Futures		July Futures		Aug Futures	
	Open	Close	Open	Close	Open	Close
04.06.05	4460	4466	4544	4543	4601	4616
06.06.05	4440	4311	4514	4378	4590	4438
07.06.05	4285	4336	4361	4415	4415	4484
08.06.05	4347	4328	4415	4401	4473	4463
09.06.05	4320	4348	4409	4426	4470	4500
10.06.05	4360	4347	4422	4423	4515	4497
11.06.05	4365	4351	4440	4430	4510	4501

Some Facts about Guar Trade

Export of Guar Meal to different countries from India

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Sep)	2003-2004	2004-05 (Apr-Sep)
1	U S A	261.31	140.06	576.38	318.05
2	China P Rp	239.2	74.59	633	157
3	Turkey	45.39	71.84	100	156
4	Italy	44.48	70.79	97.2	112
5	Indonesia	71.7	63.13	163	155.2
6	Chinese Taipei	35.68	40.94	73	80
7	Argentina	76.45	27.52	238	60
8	South Africa	24.81	19.35	90	66
9	France	29.77	18.59	65	40
10	Egypt A Rp	16.42	18.05	40	45
11	Russia	56.9	15.14	152	40
12	Thailand		15.13		40
13	Poland	25.96	12.79	80	40
14	Iran	6.64	12.09	20	20
15	Japan	66.6	11.75	178.8	20
16	U K	0.56	11.17	1.5	24
17	Korea Dp Rp		9.75		30
18	Brazil	45.78	9.41	127	20
19	Hungary	7.03	9.41	19	30
20	Greece	7.02	8.59	20	20
	Total	1,868.64	712.6	4691.37	1613.75

Source: DGFT

Export of Guar Gum Refined Split to different countries from India

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Sep)	2003-2004	2004-05 (Apr-Sep)
1	U S A	7,137.03	5,569.35	17,332.04	14,063.44
2	German F Rep	865.12	534.17	2,103.89	1,508.45
3	U K	216.34	439.76	526.84	741.32
4	Switzerland	773.93	408.94	2,109.86	1,096.30
5	South africa	263.87	388.11	806.82	998.99
6	Japan	319.13	346.73	753.98	879.63
7	Hong Kong	155.04	340.94	324.89	882.19
8	China P Rp	1,892.09	323.2	5,294.75	944.5
9	Canada	226.6	163.27	491.84	472.46
10	Spain	235.05	156.58	625	498.84
11	Denmark	86.79	146.74	220.19	398.56
12	Indonesia	78.43	120.27	178.3	301.35
13	Italy	748.46	117.9	1,635.73	303.69
14	Brazil	151.76	94.72	415	252.12
15	Netherland	412.66	86.74	829.8	180.28
16	Turkey	16.37	59.43	34	129.15
17	Pakistan	31.16	57.32	80	198
18	Korea Rp	79.61	48.66	172.05	101.28
19	Belgium	82.51	46.26	278	104
20	Australia	149.54	39.15	408.5	108
	Total	15,317.01	9,874.74	38072.29	25233.78

Source: DGFT

Export of Guar Gum treated and pulverised to different countries from India

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Sep)	2003-2004	2004-05 (Apr-Sep)
1	U S A	12,158.99	5,762.00	26,775.90	10,681.28
2	German F Rep	5,211.64	3,321.75	12,980.04	5,052.39
3	China P Rp	1,060.03	743.67	2,651.52	1,722.74
4	Canada	698.71	283.6	1,605.30	578
5	France	1,892.70	283.51	3,612.45	404.46
6	U K	1,276.71	245.28	2,387.53	503.53

7	Japan	442.13	240.98	1,062.74	565.53
8	Italy	1,065.56	234.07	2,403.84	540.47
9	Switzerland	573.09	229.88	1,383.74	554.2
10	Hong Kong	936.6	194.42	2,270.95	551.74
11	South Africa	1,075.63	166.33	3,033.33	406.91
12	Mexico	262.96	161.59	584	285
13	Netherland	524.9	129.13	1,224.49	360
14	Australia	425.81	127.11	932.8	325.71
15	Chinese Taipei	139.34	119.7	272.27	234.1
16	Brazil	308.96	119.49	691.3	283.2
17	Saudi Arab	98.39	115.46	194.42	230
18	Spain	401.67	112.73	993.28	257
19	Denmark	535.6	109.35	1,136.89	291.59
20	Malaysia	76.29	108.13	317	223.2
	Total	33,603.90	13,859.35	77797.6	26396.9

Source: DGFT

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 next trading day.

Stochastic:

The stochastic is lying in neutral region; %K line is above the %D line, indicating that prices may go up slightly.

MACD:

The MACD (5-day) has crossed zero line and indicating that prices may remain still firm.

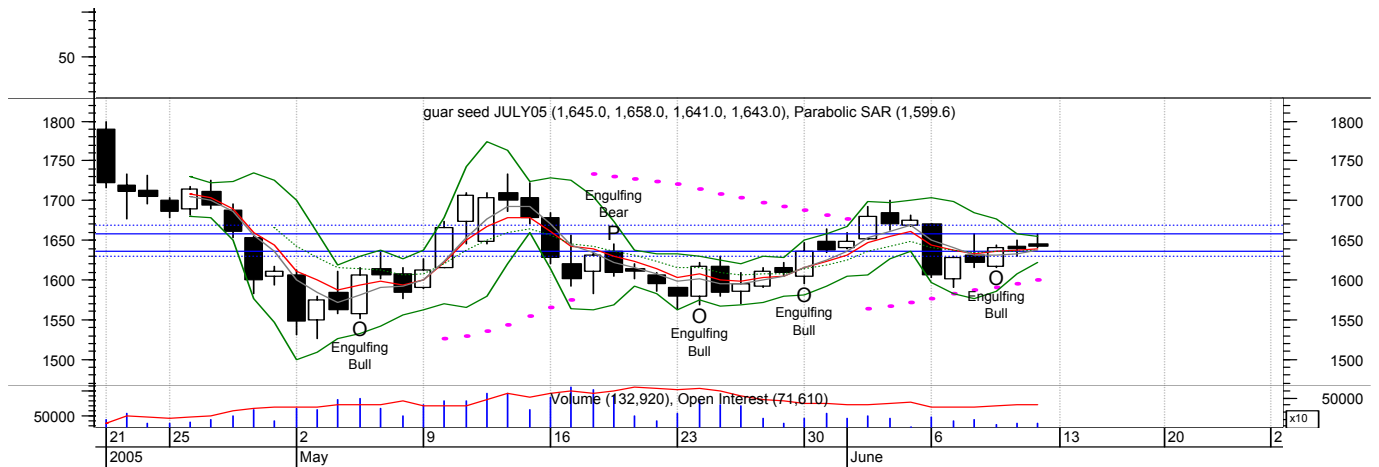
Alignment pattern:

The alignment pattern of moving averages is clearly hinting towards strength in the market.

July contract of guar seed witnessed range bound trade but finished at almost yesterday's level. June and August contracts followed the same.

Market advice:

Prices are expected to open weaker/steady and trade upward during initial 2-3 days and may come down later in the week.



Commodity: Guar Gum

Perspective: Very Short Term
NCDEX July Contract

Candlestick:

Formation of Candlestick pattern is indicating towards a weaker opening and range bound trade on next day.

Stochastic:

The stochastic moving upward and %K line is lying above %D line, hinting towards higher price movement further.

MACD:

The MACD (5-day) is moving upward and about to touch its EMA from below, now slightly indicating that prices could go up slightly.

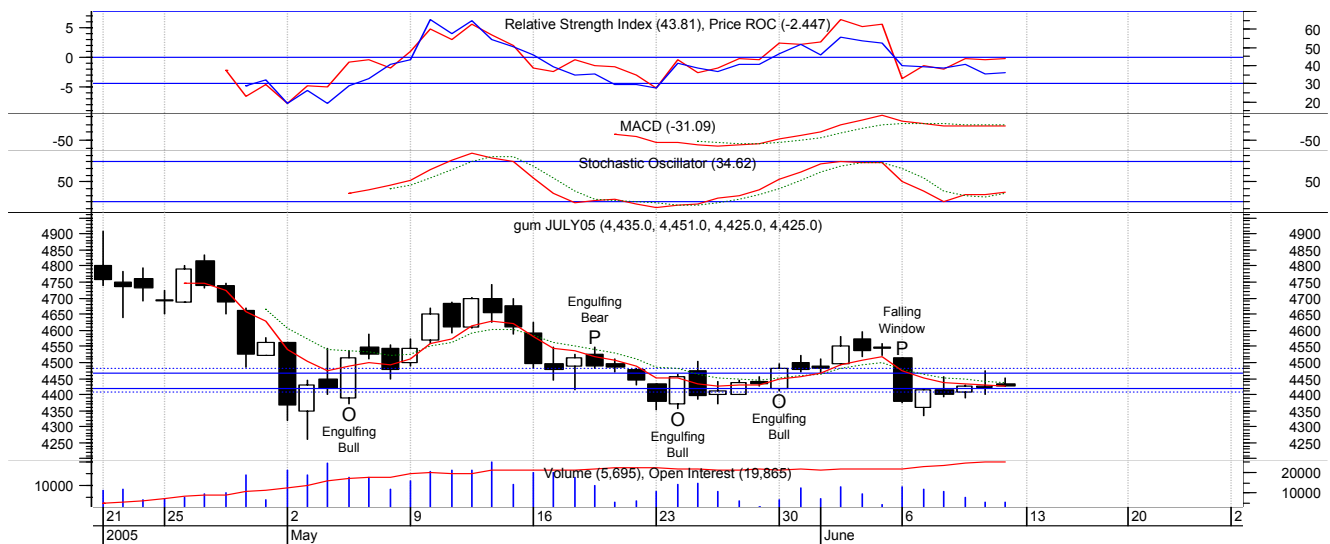
Alignment pattern:

The alignment pattern of moving averages is still pointing towards weakness in the market prices.

Guar gum July contract finished almost at same ground after range bound movements throughout the day. June and August contracts also traded in similar way.

Market advice:

Prices are expected to open weaker/steady and trade upward during initial 2-3 days and may come down later in the week.



EXCHANGE RATE:

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	53.21
United Kingdom	GBP	79.26
Japan	100 Yen	40.53

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