

GUAR SEED and GUAR GUM

June 7, 2005

MAJOR ACTIVITY HIGHLIGHTS

Guar seed and gum traded slightly up
Guar vayda traded range bound upward

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX witnessed slight recovery after it had fallen steeply yesterday. Today morning, it slipped marginally after a weaker opening but started recovering thereafter on the news that monsoon is getting weaker and finished higher than previous close.

Physical markets of guar seed slipped little during morning on the selling sentiments created by good monsoon news but after vayda improved at NCDEX, physical markets also improved following that. Guar seed in Jodhpur market, which dipped to Rs.1635 per quintal during morning, improved to Rs.1660 per quintal during evening. Nagaur-Merta line was quoted around Rs. 1625 per quintal in same market today.

In Bikaner market, guar seed witnessed slight higher moves after morning downfall and it was sold at Rs. Rs.1560 per quintal during evening. Nokha market witnessed marginal downward move today and guar seed was sold at Rs.1460 per quintal today.

All other physical markets also witnessed range bound trade, downfall in morning and recovery towards evening.

Today morning, guar gum futures at NCDEX opened weak and fell down amidst the selling sentiment which was

generated yesterday after onset of monsoon but it recovered thereafter on news regarding weak monsoon. Guar gum in Jodhpur market improved slightly and it was available at Rs.4275-4300 per quintal today evening over there.

Salient points of the day

News in various markets that monsoon is getting weaker, and vayda moved up amid this news.

Good progress of monsoon over some more parts of Central Arabian Sea, most parts of coastal Karnataka, some more parts of South interior Karnataka, Tamil Nadu and South West Bay.

Weaker physical arrivals in markets.

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

Commodity	Centres	06.06.05	07.06.05	Change
Guar seed:	Bikaner	1570	1560	-10
	Jodhpur-B line	1650	1660	+10
	Jodhpur-M line	1625	1625	0
	Nokha	1475	1460	-15
	Alwar	1375	1390	+15
	Khairthal	1365	1375	+10
	Ganganagar	1560	1570	+10
Guar Gum:		4250	4275-4300	+50

Bikaner Guar *Vayda*

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	311.8	311.2	313.2	+1.4

Price movements at Bikaner Vayda

Bikaner guar seed vayda opened weaker and traded downward initially but recovered thereafter and finished

higher. July vayda opened at 311.2, traded in the range of 313.4-310.9 and closed at 311.8, ending marginally higher by Rs.7 per quintal.

Weather watch (Forecast from June 6-June 11, 2005)

Outlook

Rain/thundershowers likely at a few places over Uttaranchal, Himachal Pradesh and Jammu & Kashmir. duststorm/thunderstorm is likely at a few places in Uttar Pradesh, Punjab and Haryana including Delhi, Chandigarh during next 24 hours.

Isolated heavy rainfall also likely over lakshadweep, kerala, coastal karnataka and andaman & nicobar islands

A. Weather Systems: Southwest Monsoon

The South-West Monsoon has advanced into Kerala and some parts of south Arabian Sea and some more parts of SW Bay of Bengal on 5th June, 2005. Model prediction suggests that the monsoon activity is likely to continue over south Peninsular India (Kerala, south interior and coastal Karnataka) and enhance over NE states during next 4-5 days.

An East-west shear zone at the middle troposphere levels runs from central Bay of Bengal to SE Arabian Sea. Model prediction indicates progressive northward march of this zone during next 4-5 days. This may cause progress of monsoon over some more areas of peninsula.

Model predictions suggest that conditions are favourable for progress of Southwest monsoon over some parts of coastal Karnataka, parts of South Interior Karnataka, some more parts of Tamil Nadu, southern parts of North-eastern states during next 3-4 days.

Western Disturbance

A western Disturbance lies over J&K and adjoining areas. It is likely to move in an north-eastward direction. Under its influence, hilly regions of NW India are likely to receive isolated to scattered snowfall/rainfall and plains of NW India may receive isolated dust storm / thundershowers during next 2 days.

Model prediction suggests that another western disturbance is likely to approach north Pakistan and adjoining J&K area by 11th June 2005.

B. Rainfall:

Fairly widespread to widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, and NE States during next 4-5 days.

Isolated to Scattered rainfall/snowfall is likely over J&K, H.P. and Uttaranchal during 24-48 Hrs and then during 11-12 June 2005.

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamil Nadu, Rayalaseema, 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 next 48 Hrs.

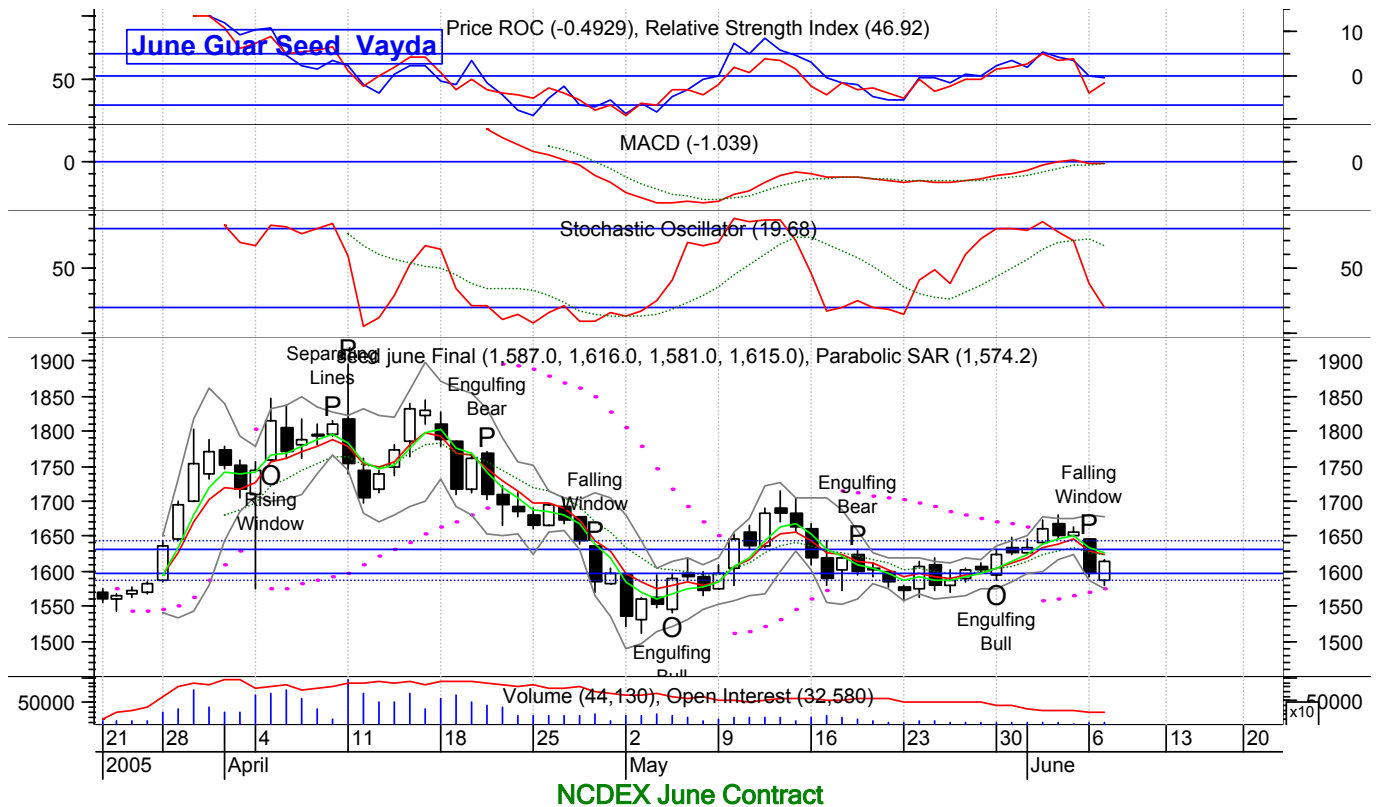
C. Temperature

Heat Wave conditions over North and central India may improve during next 3 days.

Technical Analysis

Commodity: Guar Seed

Perspective: Very Short Term



Candlestick:

Formation of Candlestick pattern is indicating towards steady opening and range bound trade on Wednesday.

Stochastic:

The stochastic has come to oversold region and %D line is still lying in neutral region, indicating that prices may remain weak still.

MACD:

The MACD (5-day) is moving downward and has flattened above its EMA, still indicating weakness in prices.

Alignment pattern:

The alignment pattern of moving averages has started indicating clearly that market prices may go weaker.

June contract of guar seed witnessed weak opening and downward trade initially but finished stronger. July and August contracts followed the same. Guar seed is expected to open firm and trade range bound tomorrow.

Market advice:

Prices are expected to open steady/firm and trade range bound marginally upward initially and slightly weaker later on, on Wednesday.

Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1598	1586	1632	1643
July	1611	1597	1647	1658

Commodity: Guar Gum
Perspective: Very Short Term



Candlestick:

Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Wednesday.

Stochastic:

The stochastic is lying in neutral region and moving downward, %D line is following it, indicating that prices may remain weak still.

MACD:

The MACD (5-day) is moving downward and has crossed its EMA from above, indicating weakness in prices tomorrow.

Alignment pattern:

The alignment pattern of moving averages is clearly indicating weakness in the market prices.

Guar gum June contract witnessed upward trade after weaker opening and initial downfall today. July and August contracts also followed similar path. Guar gum is expected to open firm and trade range bound tomorrow.

Market advice:

Prices are expected to open steady/firm and trade range bound marginally upward initially and slightly weaker thereafter, on Wednesday.

Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4313	4295	4364	4385
July	4379	4359	4446	4463

EXCHANGE RATE:

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	53.55
United Kingdom	GBP	79.61
Japan	100 Yen	40.75

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