

GUAR SEED and GUAR GUM

June 21, 2005

MAJOR ACTIVITY HIGHLIGHTS

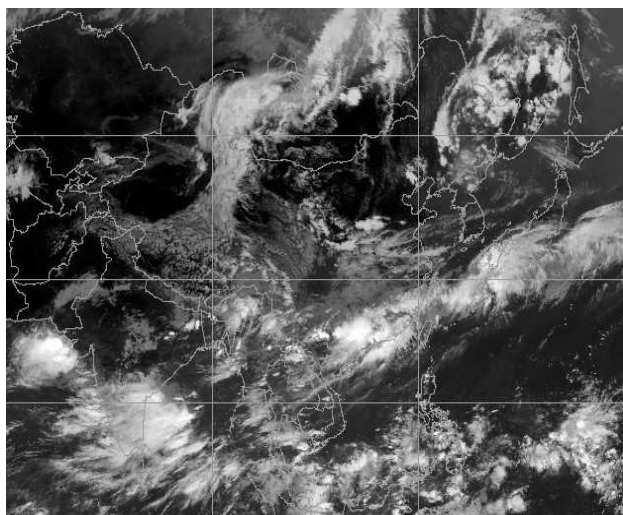
- Guar seed and gum traded marginally up
- Guar vayda witnessed range bound trade and settled up

MARKET COMMENTARY OF MAJOR MARKETS

September contract was opened today at NCDEX and all contracts witnessed upward trade with slight range bound movements today. It was slight support in physical market and amid this support and following the futures, guar seed in physical markets also improved marginally. In Jodhpur market, Bikaner line 98% whitish guar seed was sold at Rs.1645 per quintal during evening, slightly up from yesterday's level. Nagaur-Merta line was sold at around Rs.1615 per quintal in the same market. In Bikaner market, guar seed was priced at Rs. 1560 per quintal. Other markets also witnessed steady to marginally improved trade today.

Guar gum futures also witnessed slightly higher trade today at NCDEX. Following this, guar gum in physical markets also took a higher step and in Jodhpur, guar gum was available at Rs.4325 per quintal during evening. By-products of guar gum processing, i.e. guar Churi and guar Korma are not witnessing any demand now days.

Satellite Image Showing Monsoon Cloud Cover Over Indian Sea at 11:30 Noon
(Source:BBC)



Southwest monsoon has further advanced over some more parts of north Arabian Sea, Saurashtra & Kutch, some more parts of Gujarat region, Madhya Maharashtra, Telangana, Coastal Andhra Pradesh, some parts of coastal Orissa,

some more parts of Gangetic West Bengal and some parts of Bihar and it is being expected to progress normally. IMD is still giving statements that there will be 98% rains this year and if becomes true, prices may slip down and it will go up otherwise. But markets are still in doubts about its strength. Market people are expecting for below normal rains and they are bullish for that.

Salient points of the day

- September contract was opened today at NCDEX.
- Range bound upward trade during whole day and settled higher at the end.
- Monsoon has further advanced in more parts of the country.
- Partly cloudy weather in Jodhpur, Ganganagar, Bikaner and clear to partly cloudy weather in other regions.

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

CommodityCentres	20.06.05	21.06.05	Change
Guar seed: Bikaner	1550	1560	+10
Jodhpur-B line	1625	1645	+20
Jodhpur-M line	1600	1615	+15
Nokha	1500	1510	+10
Alwar	1400	1410	+10
Khairthal	1400	1400	0
Ganganagar	1535	1550	+15
Guar Gum:	4275	4325	+50

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	315.9	315.9	319.5	+3.6

Price movements at Bikaner Vayda

Bikaner guar seed traded range bound and witnessed slight higher ground than previous close. July guar opened at 315.9 and closed at 319.5, and witnessed gains of Rs.18 per quintal at the end of the trade today.

WEATHER WATCH

Forecast for next 24 hours

North : duststorm/thunderstorm likely at a few places over Haryana, Delhi & Uttar Pradesh. Isolated rain/thundershowers likely over Uttaranchal. Mainly dry weather in the rest region.

East : rain/thundershowers likely at many places in the northeastern states and West Bengal & Sikkim and at a few places over the rest region.

South : rain/thundershowers likely at most places over coastal Karnataka and Kerala at many places over coastal Andhra Pradesh, Lakshadweep and Andaman & Nicobar islands, at a few places in the rest of the region .

West : rain/thundershowers likely at most places in Konkan & Goa; at many places over madhya Maharashtra, Saurashtra and south Gujarat region and isolated in the rest region outside Rajasthan where duststorm/thunderstorm are likely at a few places.

Warning

Heavy to very heavy rainfall likely at a few places over Konkan & Goa, coastal Karnataka and Kerala. Isolated heavy rainfall also likely over Lakshadweep, Northeastern States, sub Himalayan West Bengal & Sikkim, Saurashtra & Kutch, south Gujarat region and coastal Andhra Pradesh.

Wind speed of 50-60 km/h gusting to 70 km/h likely along and off Saurashtra & Kutch coast.

(Forecast as on June 20, 2005- for next 5 days)

North & North-West India [J&K, HP, Uttaranchal, Punjab, Haryana, West UP]

Mainly dry weather is likely to prevail over plains of northwest India during next 5 days.

Plains of north india are likely to experience moderate heat wave conditions over parts of west U.P. and Haryana during next 2-3 days.

A weak western disturbance is likely to move across J&K and adjoining hilly regions of NW India in an eastward direction. It may cause isolated rainfall/snowfall over hilly regions of NW India during next 24 hrs.

East and NE India [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE States]

North-eastern states and West Bengal are likely to receive fairly widespread to widespread rains/ thundershowers during next 3-4 days.

Scattered rain/thundershowers are expected over Orissa and isolated over Jharkhand and Bihar during next 4-5 days.

Heat wave condition may improve over Orissa and Bihar during next 3 days.

Heat wave condition over east U.P. may continue.

Central India [MP, Chattisgarh, Vidarbha]

Vidarbha and Chattisgarh are likely to receive isolated to scattered rains during next 3-4 days.

Prevailing heat wave condition over Chattisgarh and Vidarbha is likely to improve during next 3-4 days.

South India [Tamilnadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Fairly widespread to widespread rainfall is likely over Andaman & Nicobar Islands, and scattered rainfall over Lakshadweep, Kerala, coastal Karnataka, south interior Karnataka north-interior Karnataka, south coastal A.P., Telangana and Rayalseema during next 3 days. Rest of the region is expected to receive isolated rainfall.

West India [Maharashtra other than Vidarbha, Gujarat, Rajasthan]

Widespread rainfall with isolated heavy to very rainfall is likely over Konkan & Goa; scattered to fairly wide spread over madhya Maharashtra, Marathwada and south Gujarat region and isolated over Saurashtra & Kutch during next 3-5 days.

Rajasthan is likely to experience mainly dry weather during next 5 days.

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term
NCDEX July Contract

Candlestick:

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

Stochastic:

The stochastic is moving downward. Both %K and %D lines are below the oversold line, and now expecting the technical correction towards higher side.

MACD:

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

Alignment pattern:

The alignment pattern of moving averages is giving signal for downward moves in prices.

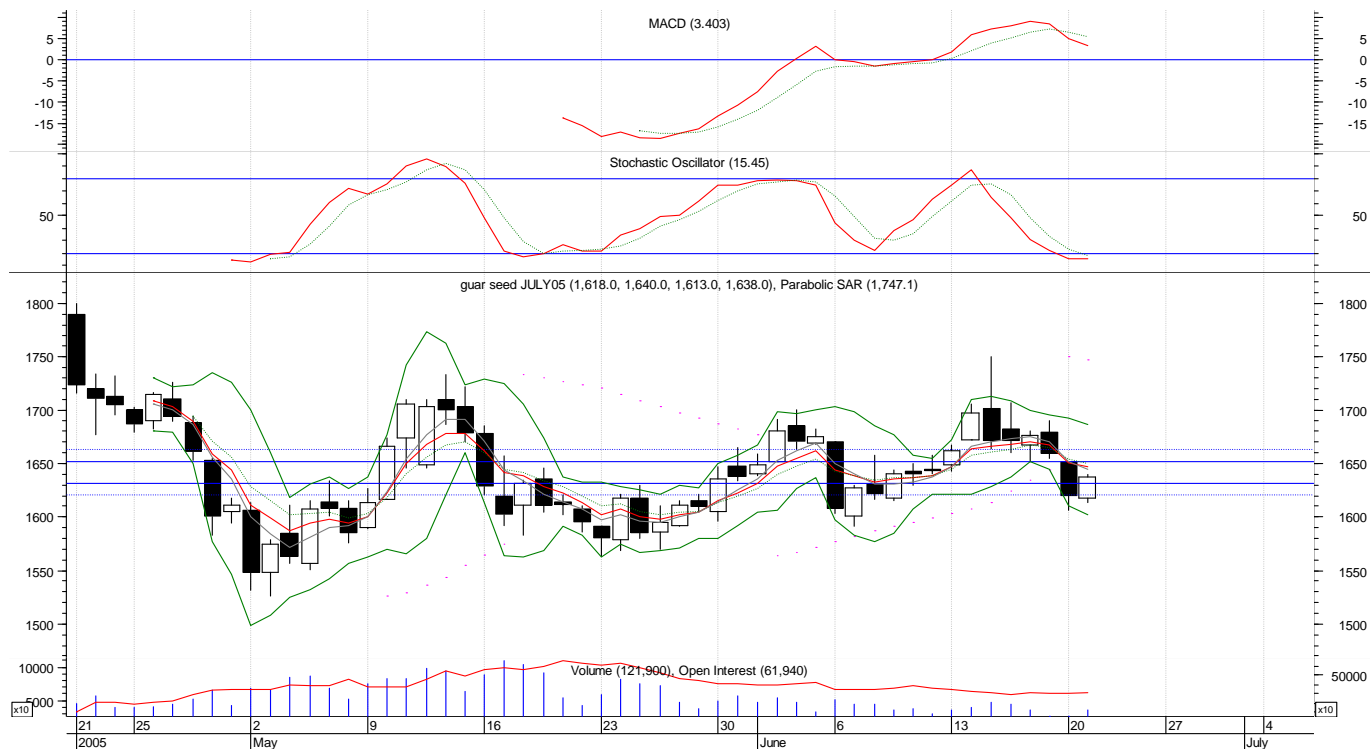
July contract of guar seed witnessed range bound upward trade and finished higher. August and September contracts also followed the same. Guar seed is expected to open firm and trade range bound marginally upward tomorrow.

Market outlook:

- Prices are expected to open firm and trade range bound slightly upward initially on Wednesday. (If full fledged monsoon strengthens in Maharashtra and Gujarat with slight premonsoon showers in Rajasthan also, prices may fall down further).
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1631	1620	1652	1663
August	1655	1642	1679	1692



Commodity: Guar Gum
Perspective: Very Short Term

NCDEX July Contract

Candlestick:

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

Stochastic:

The stochastic is moving downward, both %K line %D line is lying below the oversold line and now flattened, expecting technical correction.

MACD:

The MACD (5-day) is moving downward after crossing EMA from above, 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 upward and ended higher than previous close. August and September

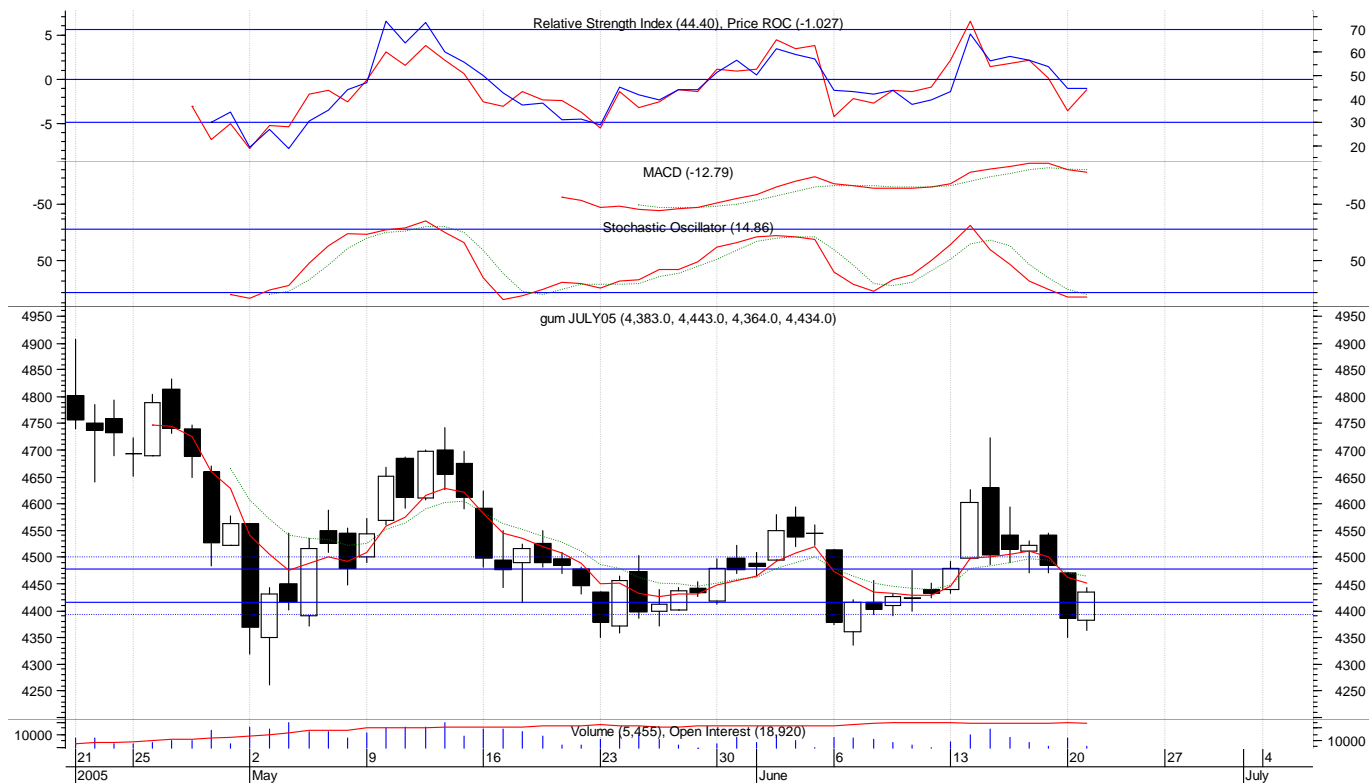
contracts also traded similarly. Guar gum is expected to open steady and trade marginally up initially.

Market outlook:

- Prices are expected to open firm and trade range bound slightly upward initially on Wednesday. (Keep on tracking the monsoon news and take the steps accordingly. If full fledged monsoon strengthens in Maharashtra and Gujarat and Rajasthan also witnesses premonsoon showers, prices may fall down slightly).
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4416	4394	4477	4500
August	4507	4483	4553	4574



EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.61
European Union	Euro	52.93
United Kingdom	GBP	79.49
Japan	100 Yen	39.88

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