

GUAR SEED and GUAR GUM

June 9, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded steady
- Guar vayda settled higher

MARKET COMMENTARY OF MAJOR MARKETS

After showing the slight dimness during morning trade, guar seed futures at NCDEX traded range bound throughout the day and finished the day at higher ground. The news of weaker monsoon is still persisting in the markets and guar vayda traded on that.

In the absence of proper buying support, physical markets traded just following the futures and recovered during evening after slight decrease in the morning. In Jodhpur market today, Bikaner line 98% whitish guar seed was priced at Rs.1650 per quintal during evening. Nagaur-Merta line was also priced at around Rs. 1625 per quintal.

Other markets also either witnessed vary small movements today or traded steady. In Bikaner market guar seed was available at Rs.1560 per quintal, where as in Nokha market it was priced at Rs.1460 today, similar to previous day's price levels.

Ganga Nagar, Alwar and Khairthal markets witnessed steady trade and guar seed was quoted at almost last day's price.

Guar gum vayda traded marginally downward initially but moved higher in range bound moves and ended at higher ground. Guar gum physical markets did not notice much change and guar seed in Jodhpur market was available at Rs.4250-4275 per quintal today evening.

Salient points of the day

- News in various markets that monsoon is getting weaker, and vayda moved up amid this news.
- Various contradicting news and rumors in the market regarding monsoon, its progress and its strength.
- Physical markets finished at almost same level as yesterday.
- Vayda ended slightly higher.
- Weaker physical arrivals in markets.
- Dust storm in major guar growing areas.

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

Commodity	Centres	08.06.05	09.06.05	Change
Guar seed:	Bikaner	1560	1560	
	Jodhpur-B line	1650	1650	
	Jodhpur-M line	1625	1625	
	Nokha	1460	1460	
	Alwar	1680-90	1680-90	
	Khairthal	1370	1370	
	Ganganagar	1535-60	1535-60	
Guar Gum:		4275	4275	

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	311.5	132.5	315.1	+3.6

Price movements at Bikaner Vayda

Bikaner guar seed vayda opened firm, traded range bound during whole day and ended at higher ground. July vayda opened at 312.5 and after witnessing range bound trade during day, it closed at 315.1, i.e., up by Rs.18 per quintal.

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 Utranchal 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.

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term

NCDEX June Contract

Candlestick:

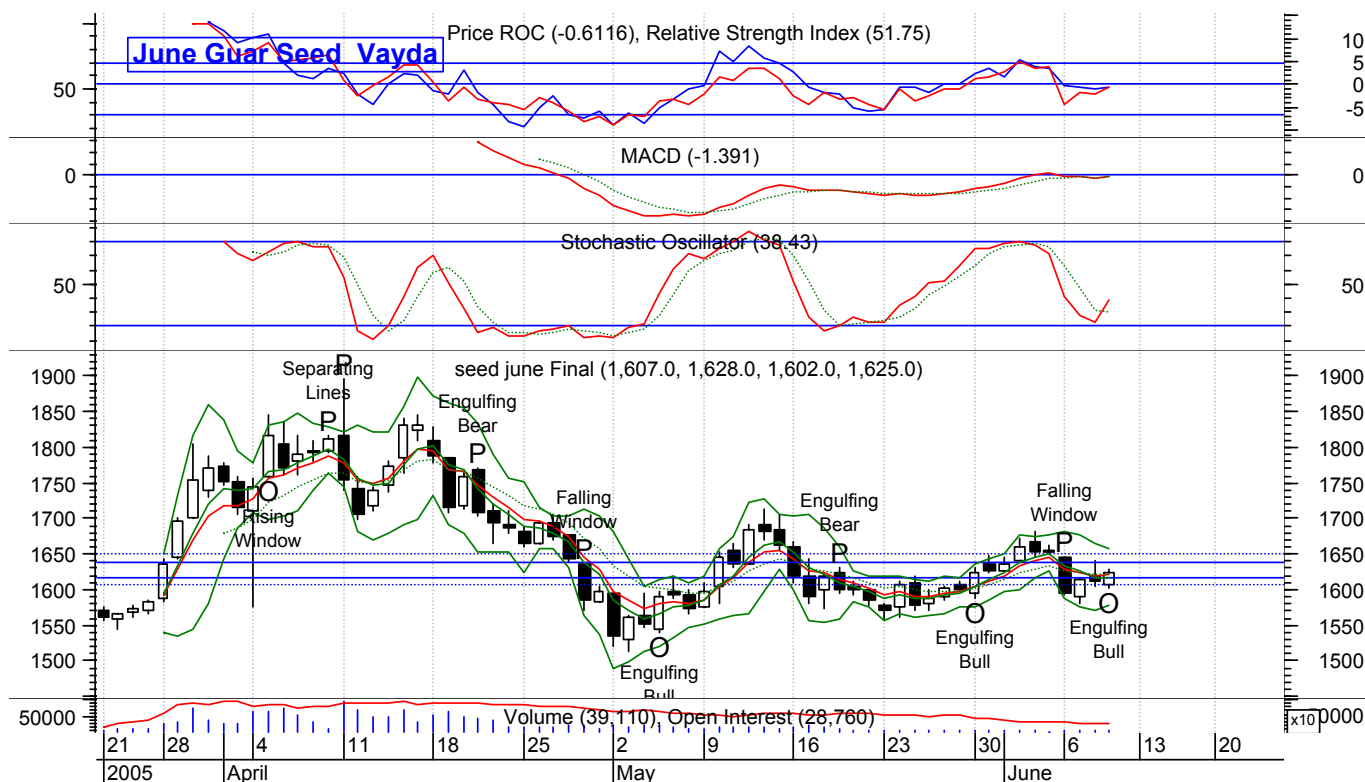
Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Friday.

Stochastic:

The stochastic is lying in neutral region; %K line has crossed %D line from below, indicating that prices may go up.

MACD:

The MACD (5-day) has crossed its EMA from above and but today it has flattened slightly, indicating that prices may be marginally toward lower side tomorrow.



The alignment pattern of moving averages is indicating weaker prices tomorrow.

Market advice:

- Prices are expected to open firm/steady and trade range bound marginally upward on Friday.
- Trade with very short-term outlook.

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1616	1607	1641	1652
July	1630	1620	1657	1666

Perspective: Very Short Term

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

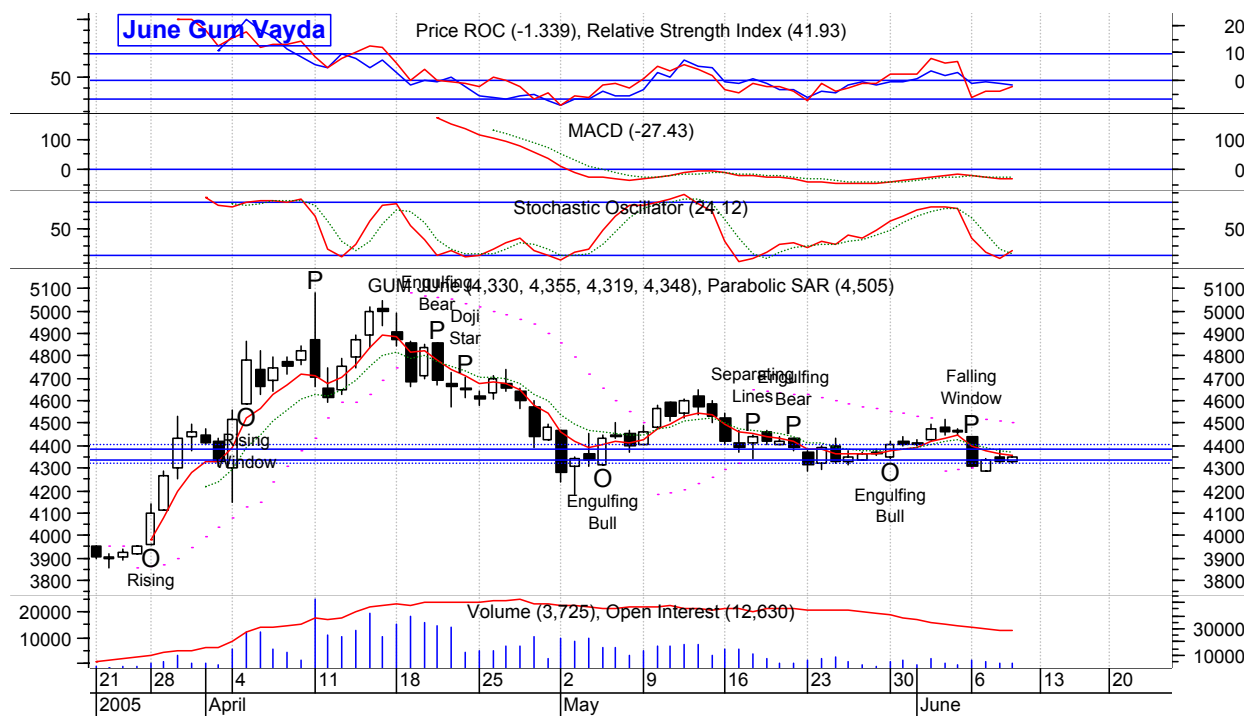
The stochastic moving upward and %K line has crossed %D line from below, hinting that technical correction towards higher side may take place.

The MACD (5-day) is moving downward and still indicating weakness in prices.

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

Guar gum June contract finished at higher ground at the end with range bound movements throughout the day. July and August contracts also traded in similar way. Guar gum is expected to open firm and trade range bound upward tomorrow.

- Prices are expected to open firm/steady and trade slightly upward with range bound moves on Friday.
- Trade with very short-term outlook.



Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	4338	4321	4385	4405
July	4412	4394	4467	4488

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
European Union	Euro	53.22
United Kingdom	GBP	79.49
Japan	100 Yen	40.59

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