

GUAR SEED and GUAR GUM

June 15, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound downward
- Guar vayda settled lower

MARKET COMMENTARY OF MAJOR MARKETS

Steep upward moves was witnessed in guar seed futures just after a firm opening but in the same way, steep downward trade was observed thereafter at NCDEX today. Finally, all the contracts of guar seed closed at lower ground. Guar seed physical markets also witnessed sharp ups and downs following the future's movements. In Jodhpur market, Bikaner line 98% whitish guar seed was sold at Rs.1690-1700 per quintal today evening though it was sold upto Rs.1735 per quintal during morning. Nagaur-Merta line was quoted at around Rs. 1660-70 per quintal in the same market.

Bikaner market, which witnessed price pf guar seed as Rs.1670 per quintal during morning, slipped to Rs.1620 per quintal in evening. In Ganganagar market also prices fell down to Rs.1600 per quintal after reaching to Rs.1660 per quintal. All other markets also witnessed huge rise in prices initially but downfall later.

Guar gum futures at NCDEX took a high jump in the morning but traded range bound downward later and closed at much lower ground at the end. Guar gum physical markets also did nothing but followed the futures blindly and traded upward initially and weaker later on. Today, guar gum stepped to Rs.4575 per quintal in the morning bur was sold at Rs.4450-75 per quintal towards the end of the day in Jodhpur market.

The morning upward trade was behind the previous sentiments regarding monsoon that it is going to be late and weak also for few more days but afterward forecast from IMD came that monsoon may get revive tomorrow onwards, and amid this speculators played huge bearish. Now if monsoon gets stronger from tomorrow onwards as IMD is forecasting, prices may fall further but if it does not, prices may go up again from tomorrow afternoon or day after tomorrow.

Salient points of the day

- Guar seed and gum finished the day at lower level though they saw huge upward moves in the morning.
- *Monsoon is expected to revive over south peninsular India during next 3 days.*

- *Rainfall activity may increase over North-eastern States from 16th June onwards which may lead to onset of monsoon over NE States by 17th June.*
- Clear to dusty weather in most of the places in major guar growing areas like, Bikaner, Jodhpur, Ganganagar, Nokha etc.
- Good stockist's activities in markets.

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

Commodity	Centres	14.06.05	15.06.05	Change
Guar seed:	Bikaner	1630	1625	-5
	Jodhpur-B line	1700	1690	-10
	Jodhpur-M line	1670	1665	-5
	Nokha	1525	-	-
	Alwar	1450	1425	-25
	Khairthal	1425	1410	-15
	Ganganagar	1625	1600	-25
Guar Gum:		4475	4450-75	0

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	327.2	330.1	324.6	-2.6

Price movements at Bikaner Vayda

Bikaner guar seed vayda opened firm and traded upward initially but came down later and ended lower. July vayda opened at 330.1, traded in the range of 330.7-323.9 and closed at 324.6, i.e., down by Rs.13 per quintal.

WEATHER WATCH

(Forecast on June 15, 2005- for next 5 days)

A. Monsoon Outlook:

South-west Monsoon continues to be in weak phase since 10th June. Monsoon is expected to revive over south peninsular India during next 3 days. Prediction also

indicates progressive increase in rainfall activity over North-eastern States from 16th June onwards which may lead to onset of monsoon over NE States by 17th June.

B. Heat Wave Condition:

Severe heat wave conditions are prevailing over Orissa, Chhatisgarh, north coastal Andhra Pradesh and heat wave conditions over parts of Bihar, Jharkhand, east Uttar Pradesh and south Madhya Pradesh.

Prediction suggests reduction of severity of heat wave condition in Orissa, Jharkhand and Coastal Andhra Pradesh during next 4-5 days.

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

Mainly dry weather is likely to prevail over plains of northwest India during next 3-4 days. However parts of Haryana, Delhi and west Uttar Pradesh may experience dust storms/Haze conditions.

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

North-eastern states are likely to receive increased rainfall activity from 16th June onwards. Scattered rains are likely over NE States during next 24 Hrs. Thereafter, rainfall activity is expected to increase over these states.

Isolated rain/thundershowers are expected over West Bengal, Orissa, Jharkhand and Bihar during next 2 days. Mainly dry weather may prevail over East Uttar Pradesh during next 2-3 days.

Central India [MP, Chattisgarh, Vidarbha]

Mainly dry weather is expected over the region.

Model predictions do not suggest much change in day temperature and hence **prevailing Heat wave condition over**

Chattisgarh, Madhya Pradesh and Vidarbha may continue for another 2-3 days.

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

Scattered to fairly widespread rainfall is likely over Andaman & Nicobar Islands and Lakshadeep. Scattered rainfall is expected over Kerala, Coastal Karnataka, South Interior Karnataka and Coastal A.P. during next 2-3 days.

Rainfall activity over Lakshadeep, Kerala and Coastal Karnataka may increase by 17th June.

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

Mainly dry weather is likely to prevail over Gujarat and Rajasthan during next 3-4 days.

Konkan & Goa, Madhya Maharashtra and Marathwada are likely to receive isolated to scattered rainfall activity.

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term

NCDEX June Contract

Candlestick:

Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Thursday.

Stochastic:

The stochastic has changed its direction, and is moving downward. %K line has crossed the %D line from above and now is lying in neutral region, hinting towards weaker prices tomorrow.



MACD:

The MACD (5-day) is lying above its EMA and moving upward, indicating that prices may go up slightly.

Alignment pattern:

The alignment pattern of moving averages is not giving confirm signal for downward trade tomorrow.

July contract of guar seed witnessed steep upward trade during initial hour of trade but ended much lower. June and August contracts followed the same. Guar seed is expected to open weak and trade range bound downward tomorrow.

Market outlook:

- Prices are expected to open weaker/steady and trade downward initially on Thursday but totally depends on monsoon news so keep in touch with

Commodity: Guar Gum

Perspective: Very Short Term

NCDEX June Contract

Candlestick:

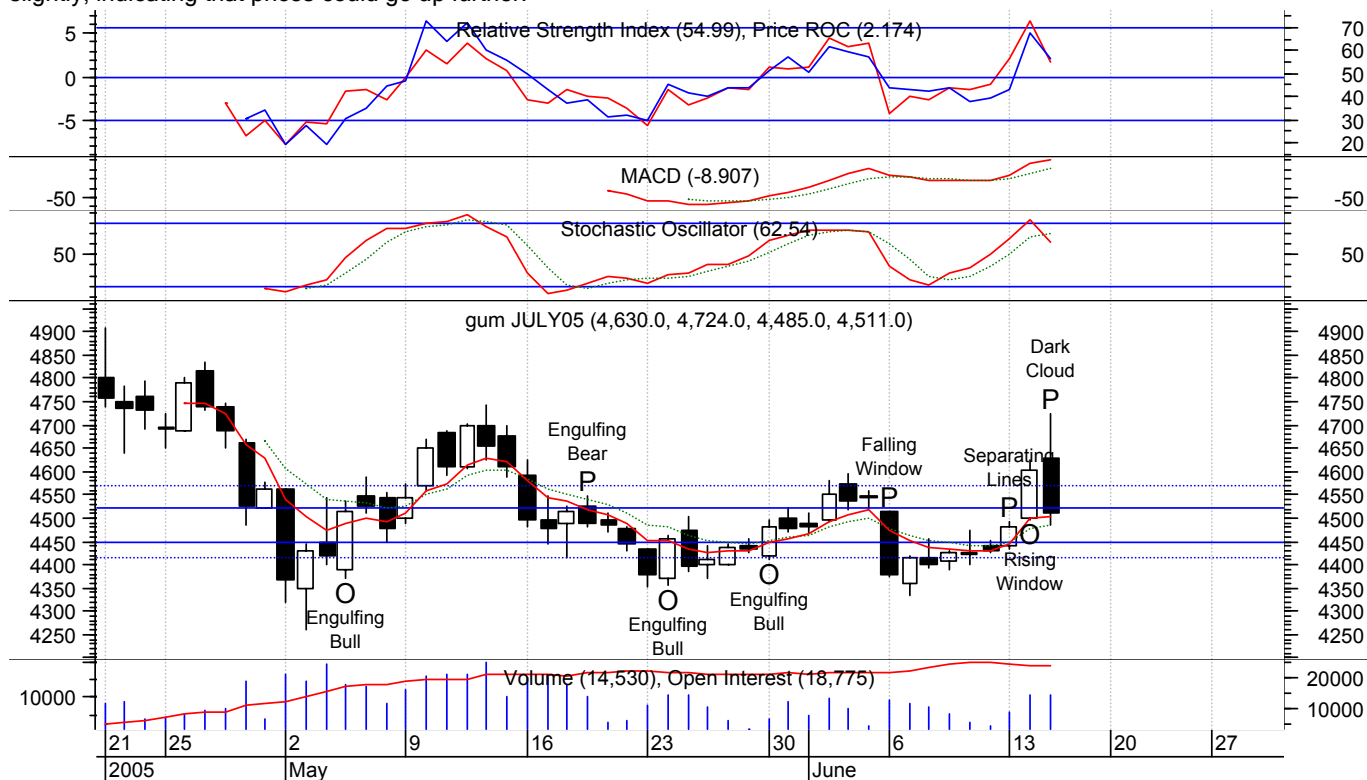
Formation of Candlestick pattern is indicating towards a weaker opening and range bound trade on Thursday.

Stochastic:

The stochastic has started moving downward and %K line has crossed the %D line from above and now is hinting towards weaker prices tomorrow.

MACD:

The MACD (5-day) is still moving upward though flattened slightly, indicating that prices could go up further.



market continuously and track the monsoon news).

- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
June	1624	1612	1650	1669
July	1649	1636	1678	1694
August	1666	1651	1700	1721

Alignment pattern:

The alignment pattern of moving averages is not giving any confirm indication regarding movements in the market prices next day.

Guar gum July contract finished the day much lower after trading upward during initial hour of trade. June and August contracts also traded in similarly. Guar gum is expected to open weak and trade range bound downward initially tomorrow.

Market outlook:

- Prices are expected to open weaker/steady and trade initially towards lower side initially on Thursday. (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
June	4386	4353	4450	4482
July	4449	4415	4521	4568
August	4520	4490	4590	4635

EXCHANGE RATE:

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.66
European Union	Euro	52.54
United Kingdom	GBP	78.96
Japan	100 Yen	39.96

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