

GUAR SEED and GUAR GUM

June 23, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda settled much lower

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX started the day with firm moves and traded range bound until it heard the news of rains in some parts of Rajasthan viz., Jaipur, Alwar, Khairthal and after that it slipped sharply and witnessed downfall in the prices. Physical markets witnessed upward moves in the morning but following vayda, it fell down during evening. In Jodhpur market, slight buying support was witnessed and this support coupled with higher vayda, pushed the prices slightly up in the morning which came down again during evening. Bikaner line 98% whitish guar seed was sold at Rs.1625-30 per quintal in Jodhpur market during evening though it was sold at Rs.1645-50 per quintal in the morning trades. Nagaur-Merta line was available at around Rs.1600-10 per quintal in the same market. Bikaner market witnessed slightly weaker prices of guar seed, which was priced at Rs.1525 per quintal. Other markets also witnessed slightly weaker prices today..

Guar gum future at NCDEX traded range bound upward after its firm opening today morning but came down steeply after evening rains in parts of Rajasthan. Physical markets followed the futures and came down from Rs.4375 per quintal during morning to Rs.4275 per quintal during evening. By-products of guar gum processing, i.e. guar Churi and guar Korma are not witnessing any demand now days and were sold at Rs.380 and Rs.440 per 75 kg, respectively.

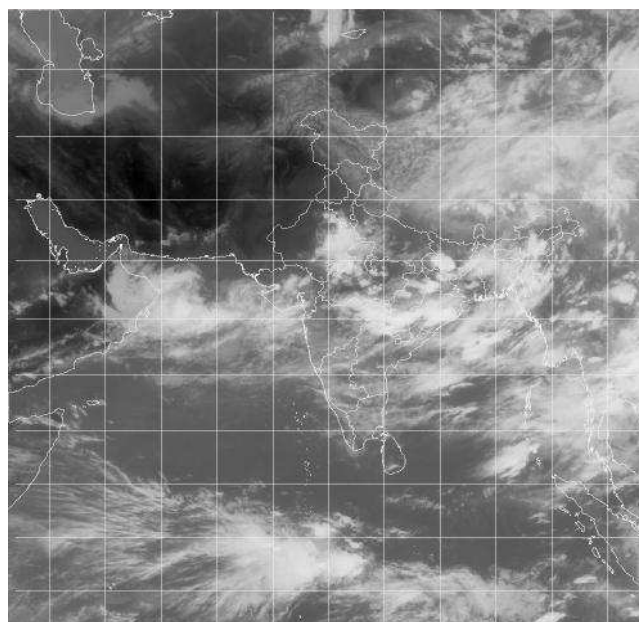
Monsoon has made good improvement and now rains are being witnessed in north Bihar and Saurashtra & Kutch also indicating that it is on the way. Now it is going to be the critical condition as for as guar is concerned. If monsoon rains cover the full Gujarat with good intensity and the other arm of monsoon coming from Madhya Pradesh progress normally, guar prices will be affected adversely.

Salient points of the day

- Good amount of rains were witnessed in Jaipur, Alwar and Khairthal etc.
- Range bound upward trade initially but dropped sharply after witnessing rains in Rajasthan.
- Monsoon has further advanced in more parts of the country.

- Clear weather in Jodhpur, Ganganagar, Bikaner, Nokha etc. and cloudy weather in Alwar, Khairthal, and Jaipur etc.

Satellite Image Showing Monsoon Cloud Cover Over Indian Sea at 12:00 NOON
(Source:IMD)



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

CommodityCentres	22.06.05	23.06.05	Change
Guar seed: Bikaner	1545	1525	-20
Jodhpur-B line	1630	1625-30	0
Jodhpur-M line	1610	1610	0
Nokha	1480	1460	-20
Alwar	1400	1375	-25
Khairthal	1400	1375	-25
Ganganagar	1535	1530	-5
Guar Gum:	4275-4300	4275	-25

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	318.7	320	314.1	-4.6

Price movements at Bikaner Vayda

Bikaner guar seed opened firm started moving upward but after witnessing rains in some parts of Rajasthan, it slipped sharply during afternoon and closed much lower. July guar opened at 320 and closed at 314.1, down by Rs.23 per quintal from previous close.

WEATHER WATCH

Forecast for next 24 hours

North : rain/thundershowers likely at many places over east of Uttar Pradesh and at a few places over Himachal Pradesh and Uttaranchal. Isolated duststorm/thunder-storm likely over Punjab, Haryana, Chandigarh & Delhi and west Uttar Pradesh. Mainly dry weather in the rest region.

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

South : rain/thundershowers likely at most places over coastal Karnataka and at a few places in the rest of the region outside Telangana, Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

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

Outlook for subsequent two days : rain/thundershower activity over Chhattisgarh, west Uttar Pradesh, Himachal Pradesh, Uttaranchal, east Madhya Pradesh and Vidarbha likely to increase.

Warning

Heavy to very heavy rainfall likely at a few places over sub Himalayan West Bengal & Sikkim, Konkan & Goa, and coastal Karnataka. Isolated heavy rainfall also likely over northeastern states, north Bihar and Saurashtra & Kutch.

Current Weather Condition

The southwest monsoon has further advanced as a weak current over the remaining parts of West Bengal, some more parts of Orissa and Bihar and over some parts of Jharkhand and north-east Uttar Pradesh. Northern limit of monsoon passes through lat. 23° n/long. 60°e, lat. 23° n/long. 65° e, Naliya, Surat, Sholapur, Gannavaram, Gopalpur, Jamshedpur, Patna and Gorakhpur. The condition are favourable for further advance over the remaining parts of Orissa, Jharkhand, Bihar and east Uttar Pradesh during next two days. The heat wave conditions have abated from Chhattisgarh, Madhya Pradesh and Vidarbha. However, the heat wave conditions are prevailing

over parts of Rajasthan, Delhi, western parts of Haryana & Punjab and Jammu division of Jammu & Kashmir. The depression over northeast Arabian sea and adjoining Saurashtra & Kutch has moved westwards and weakened into a well marked low pressure area and now lies over northeast and adjoining northwest Arabian sea. The associated upper air cyclonic circulation extends upto mid-tropospheric level. The off shore trough at sea level over east Arabian sea from Konkan to Kerala coast persists. **The upper air cyclonic circulation over coastal Orissa and adjoining westcentral Bay of Bengal persists and extends between 3.1 and 4.5 km A.S.L. tilting southwest wards with height a fresh upper air cyclonic circulation lies over sub-Himalayan West Bengal and neighbourhood extending upto 2.1 km above sea level.**

(Forecast as on June 20, 2005- for next 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 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

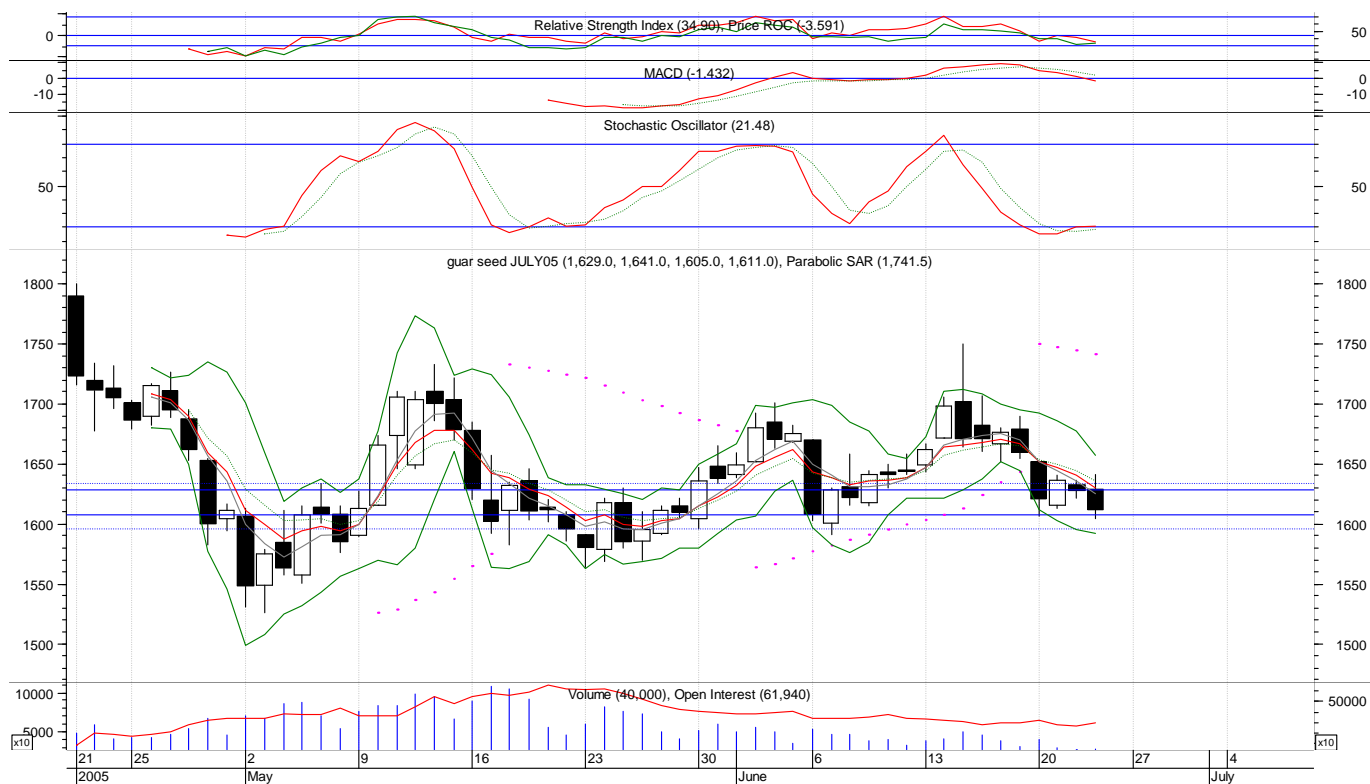
Candlestick:

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

Stochastic:

The stochastic is moving upward. Both %K line and %D line are above the oversold region, and expecting the trade towards higher side.

MACD:



Commodity: Guar Gum
Perspective: Very Short Term
NCDEX July Contract

Candlestick:

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

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.

Guar seed opened firm and traded upward initially but came down during afternoon after witnessing rains in some parts of Rajasthan, like Jaipur, Alwar and Khairthal etc. Guar seed is expected to open steady and trade range bound tomorrow with total dependence on rains.

Market outlook:

- Prices are expected to open steady and trade range bound on Friday. (If rains continue in Rajasthan, prices may fall down slightly).
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1607	1596	1627	1634
August	1628	1615	1651	1659

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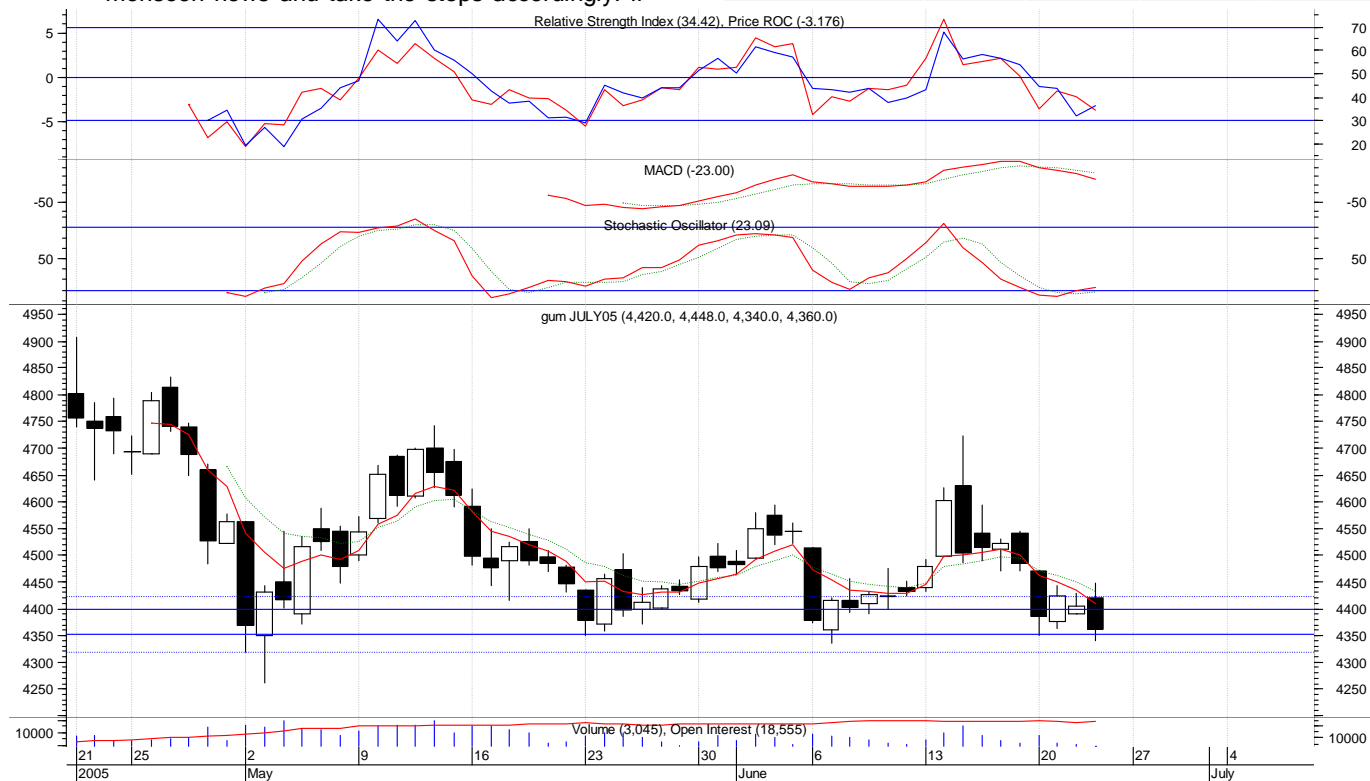
Guar gum July contract started the day with firm steps but slipped sharply after rains in some regions of Rajasthan and closed lower. August and September contracts also traded similarly. Guar gum is expected to open steady and trade range bound tomorrow.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4352	4319	4399	4422
August	4438	4409	4483	4497

Market outlook:

- Prices are expected to open steady and trade range bound on Friday. (Keep on tracking the monsoon news and take the steps accordingly. If

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EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	52.74
United Kingdom	GBP	79.25
Japan	100 Yen	