

GUAR SEED and GUAR GUM

July 4-9, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded upward
- Guar vayda traded range bound and settled higher

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures traded range bound upward through out the week and rested at higher ground at the last. Almost every part of guar growing areas have witnessed rainfall till now though Jaisalmer and Barmer did not witness good enough rains yet. It was weather conditions in western Rajasthan which guided the movement in prices this week. But overall the prices of guar seed witnessed higher ground. Physical markets also traded after futures and moved up. Bikaner line 98% whitish guar witnessed higher ground and was priced at Rs.1600 per quintal in Jodhpur market at the weekend, up by Rs.70 per quintal from last weekend's prices in the same market. All other markets viz., Bikaner, Nokha, Ganganagar etc also felt the after rain heat and prices of guar seed crawled up.

Alwar and Khairthal regions are witnessing good area under Guari crop. This year some area from cotton has also been transferred to Guari and Bajra and if the second rain occurs timely, good crop can be expected from the regions.

Week at a glance

Guar seed and gum traded range bound upward and ended higher than last weekend's close.

Good acreage under Guari crop in Alwar and Khairthal region.

Western Rajasthan witnessed 59% above normal rainfall during the period June1-July6 (last year it was 27% below normal).

Eastern Rajasthan witnessed 36% above normal rainfall during the above period (last year it was 35% below normal).

Gujarat witnessed 241% above normal rainfall during the same period (last year it was 14% below normal).

Cumulative Seasonal Rainfall in India(1st June to 6th July, 2005) : Rainfall was excess/normal in 23 and deficient/scanty in 13 out of 36 meteorological sub-divisions.

Rainfall During The Week (For the week ending on 6th July, 2005) : Rainfall was excess/normal in 25 and deficient/scanty in 11 out of 36 meteorological sub-divisions.

Spot Market prices and arrivals of Guar in main markets of Rajasthan

(Prices in Rs/qt and Arrivals in Quintals)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
02-07-05	1475	1530	1500	1380(50)
09-07-05	1510	1600	1575	1400
Change	+35	+70	+75	+20

Figures in parentheses are market arrivals.

Market Commentary on Guar Gum

Guar gum futures at NCDEX traded range bound upward and settled at higher ground at the weekend. Cash markets also followed the futures and traded range bound and moved to higher ground. Guar gum was witnessing buying support in physical markets during the week. Guar gum was available at Rs.4100 per quintal in Jodhpur market during weekend.

WEATHER WATCH

Forecast for the period upto 17July, 2005

Weather Systems:

A Monsoon System in the form of an upper air cyclonic circulation lies over Jharkhand and adjoining Orissa. This is likely to move in a north-westerly direction during next 3-4 days.

A Western Disturbance in the form of an upper air cyclonic circulation lies over central Pakistan and adjoining northwest Rajasthan.

The north-westward moving monsoon system and eastward moving western disturbance are expected to interact and cause fairly widespread to widespread rains over many parts of North-west India viz., Uttar Pradesh, Uttranchal, Himachal Pradesh, Punjab, Haryana and East Rajasthan during 11-14 July,2005. There could be isolated heavy to very heavy rains over Uttranchal and Himachal Pradesh during next 3 days.

The axis of the monsoon trough at sea level passes through Ganganagar, Hissar, Kanpur, Daltonganj, Cuttack and thence southeastwards to East Central Bay of Bengal. The western end of the monsoon trough is likely to move north along with monsoon system during next 3 days.

Rainfall:

Fairly widespread to Widespread rainfall is likely over Uttaranchal and Himachal ,Punjab ,Hayana, U.P., NE Rajasthan, West Bengal, Chattiasgarh , Vidarbha, Kerala, Coastal Karnataka, Konkan & Goa and NE states during next 3 days. Isolated heavy to very heavy rainfall is likely over Utranchla and Himachal Pradesh during above period.

Scattered to Fairly widespread rainfall is likely Bihar, Jharkhand, M.P., Orissa, Interior Karnataka, A.P. during the week.

Isolated to scattered rainfall is likely over rest region of the country during the week.

Source: GOI

Price movement of Guar seed and Gum at NCDEX Vayda
Prices of guar in Rs/qt

Dates	Bikaner	Jodhpur	Guar Gum
02.07.05	1456.5	1444.3	3912.5
04.07.05	1473	1466.3	3960.95
05.07.05	1491	1495.9	4079.9
06.07.05	1470.25	1468.65	3959.1
07.07.05	1469.7	1473.25	3998.05
08.07.05	1473.8	1475.85	3994.25
09.07.05	1515	1501.6	4109.5
Change (Rs)	+58.5	+57.3	+197

Guar Seed futures prices at NCDEX

Dates	July Futures		Aug. Futures		Sep. Futures	
	Open	Close	Open	Close	Open	Close
02.07.05	1490	1495	1502	1514	1515	1530
04.07.05	1505	1522	1520	1540	1538	1559
05.07.05	1523	1502	1547	1519	1565	1536
06.07.05	1509	1534	1513	1552	1534	1574
07.07.05	1537	1510	1555	1528	1575	1548
08.07.05	1510	1536	1534	1556	1551	1576
09.07.05	1545	1545	1560	1563	1578	1581

Guar Gum futures prices at NCDEX

Dates	July Futures		Aug. Futures		Sep. Futures	
	Open	Close	Open	Close	Open	Close
02.07.05	3950	3947	4015	4020	4076	4089
04.07.05	3964	4012	4032	4088	4100	4164
05.07.05	4040	3955	4106	4029	4185	4102
06.07.05	3935	4036	4010	4109	4084	4188
07.07.05	4045	3979	4127	4051	4200	4128
08.07.05	3996	4035	4055	4109	4105	4189
09.07.05	4065	4065	4120	4132	4185	4210

Some Facts about Guar Trade**Export of Guar Meal to different countries from India**

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Dec)	2003-2004	2004-05 (Apr-Dec)
1	U S A	261.31	409.33	576.38	878.05
2	CHINA P RP	239.2	129.01	633	277.3
3	GERMANY	171.92	17.69	458.96	40
4	CANADA	116.63	36.77	200.9	59
5	MEXICO	89.45		210	
6	ARGENTINA	76.45	38.16	238	80
7	INDONESIA	71.7	136.31	163	330.2
8	JAPAN	66.6	22.5	178.8	40
9	HONG KONG	64.64	7.08	177.5	0.02
10	RUSSIA	56.9	27.45	152	60
11	BRAZIL	45.78	9.41	127	20
12	TURKEY	45.39	84.61	100	181
13	ITALY	44.48	108.58	97.2	172
14	ZIMBABWE	41.4		120	
15	TAIWAN	35.68	66.42	73	121.5
16	NTH'LAND	33.72	1.11	60	3
17	KOREA RP	31.98	5.97	66.4	8.5
18	SWZ'LAND	30.31	6.72	80	20
19	PAKISTAN IR	29.82		100	
20	FRANCE	29.77	39.52	65	80
	Total	1,868.64	1467.97		

Source: DGFT

Export of Guar Gum Refined Split to different countries from India

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Dec)	2003-2004	2004-05 (Apr-Dec)
1	U S A	7,137.03	8,492.79	17,332.04	19,504.78
2	CHINA P RP	1,892.09	1,495.33	5,294.75	3,427.50
3	GERMANY	865.12	644.05	2,103.89	1,735.99
4	SWZ'LAND	773.93	644.95	2,109.86	1,572.30
5	ITALY	748.46	238.91	1,635.73	507.41
6	NTH'LAND	412.66	177.53	829.8	299.3
7	JAPAN	319.13	463.59	753.98	1,084.89
8	SOUTH AFRICA	263.87	608.3	806.82	1,405.47
9	SPAIN	235.05	339.25	625	699.04
10	CANADA	226.6	179.37	491.84	512.46
11	U K	216.34	512.15	526.84	879.32
12	GEORGIA	158.57		458.6	
13	HONG KONG	155.04	340.94	324.89	882.19
14	BRAZIL	151.76	132.59	415	312.38
15	AUSTRALIA	149.54	39.15	408.5	108
16	FRANCE	144.54	78.47	345.75	157.27
17	MEXICO	97.66	50.34	200	98.03
18	TAIWAN	89.31	16.86	266	60
19	DENMARK	86.79	146.74	220.19	398.56
20	POLAND	85.55	10.65	200.02	20
	Total	15,317.01	15771.52		

Source: DGFT

Export of Guar Gum treated and pulverised to different countries from India

	Country	Values (Rs. Lakhs)		Quantity ('000 Kgs)	
		2003-2004	2004-05 (Apr-Dec)	2003-2004	2004-05 (Apr-Dec)
1	U S A	12,158.99	10,111.91	26,775.90	17,187.54
2	GERMANY	5,211.64	6,926.32	12,980.04	9,593.67
3	FRANCE	1,892.70	583.66	3,612.45	694.77
4	U K	1,276.71	594.05	2,387.53	1,163.15
5	SOUTH AFRICA	1,075.63	636.99	3,033.33	874.72
6	ITALY	1,065.56	721.31	2,403.84	1,201.57
7	CHINA P RP	1,060.03	1,916.67	2,651.52	4,128.79
8	HONG KONG	936.6	251.78	2,270.95	652.09
9	CANADA	698.71	565.73	1,605.30	1,222.20
10	SWZ'LAND	573.09	280.17	1,383.74	630.2
11	DENMARK	535.6	326.96	1,136.89	688.6
12	VIETNAM SOC REP	525.76	74.89	2,181.01	98.54
13	NTH'LAND	524.9	444.09	1,224.49	886.1
14	JAPAN	442.13	489.58	1,062.74	983.53
15	AUSTRALIA	425.81	369.32	932.8	660.37
16	SPAIN	401.67	324.6	993.28	581.08
17	INDONESIA	358.74	205.64	804.86	351.12
18	KOREA RP	319.23	305.7	630.68	445.19
19	BELGIUM	312.82	442.82	687	794.65
20	BRAZIL	308.96	305.65	691.3	527.28
	Total	33,603.90	28632.36		

Source: DGFT

TECHNICAL ANALYSIS

Commodity: Guar Seed
Perspective: Very Short Term
NCDEX August Contract

Candlestick:

Formation of Candlestick pattern is indicating towards firm opening and range bound trade during next trading day.

Stochastic:

The stochastic has changed its curvature, %K has started moving downward, lying below %D line and lying in neutral region, expecting marginal weakness in the prices.

MACD:

The MACD (5-day) is moving upward and lying above its EMA, expecting slightly higher prices still.

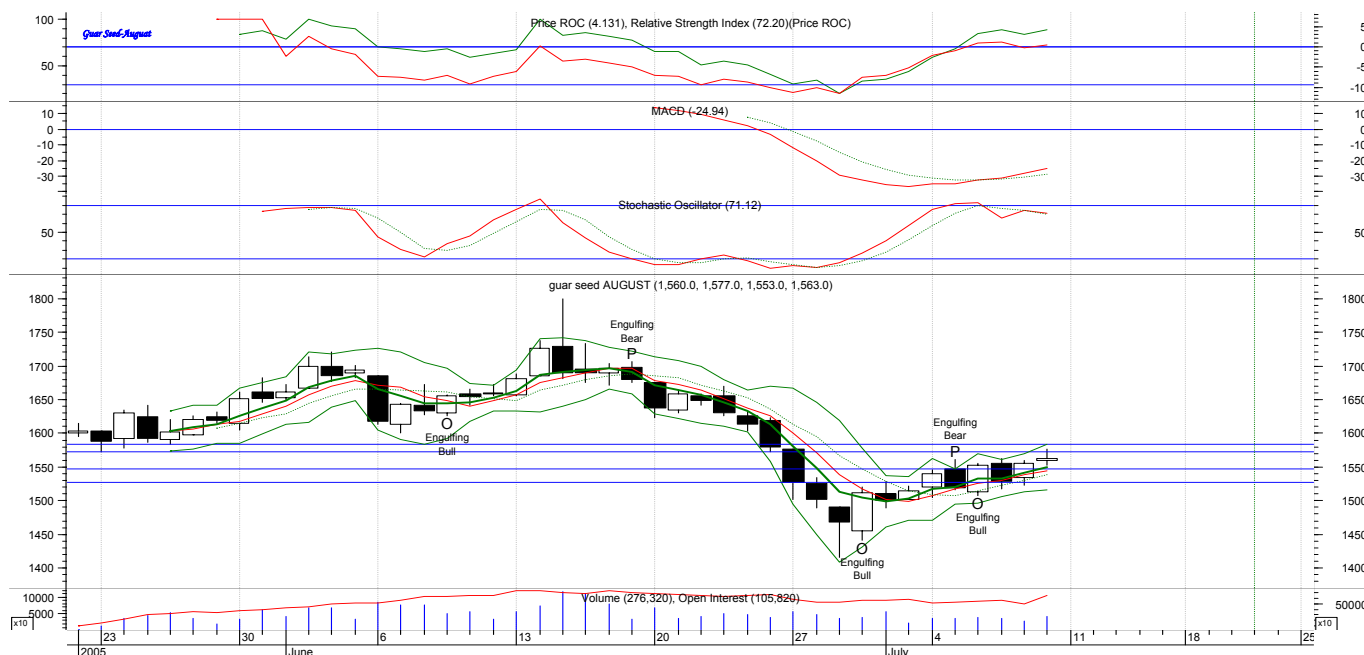
Alignment pattern:

The alignment pattern of moving averages is indicating towards higher movement in prices.

Guar seed future traded range bound through out the week and settled at higher level. It is expected to open steady and trade range bound downward during next week.

Market outlook:

Guar seed prices are expected to open firm and may move marginally higher initially and steeply downward thereafter on the same day or at most on Tuesday. Overall, market prices will move range bound downward during first half of the week and may go slightly higher during other half.



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

Candlestick:

Formation of Candlestick pattern is indicating towards firm opening and range bound trade on next trading day.

Stochastic:

The stochastic is has again changed its curvature, %K line is lying below %D line, expecting marginally weaker prices next day.

MACD:

The MACD (5-day), is moving upward and is lying above its EMA, still expecting strength in the market prices.

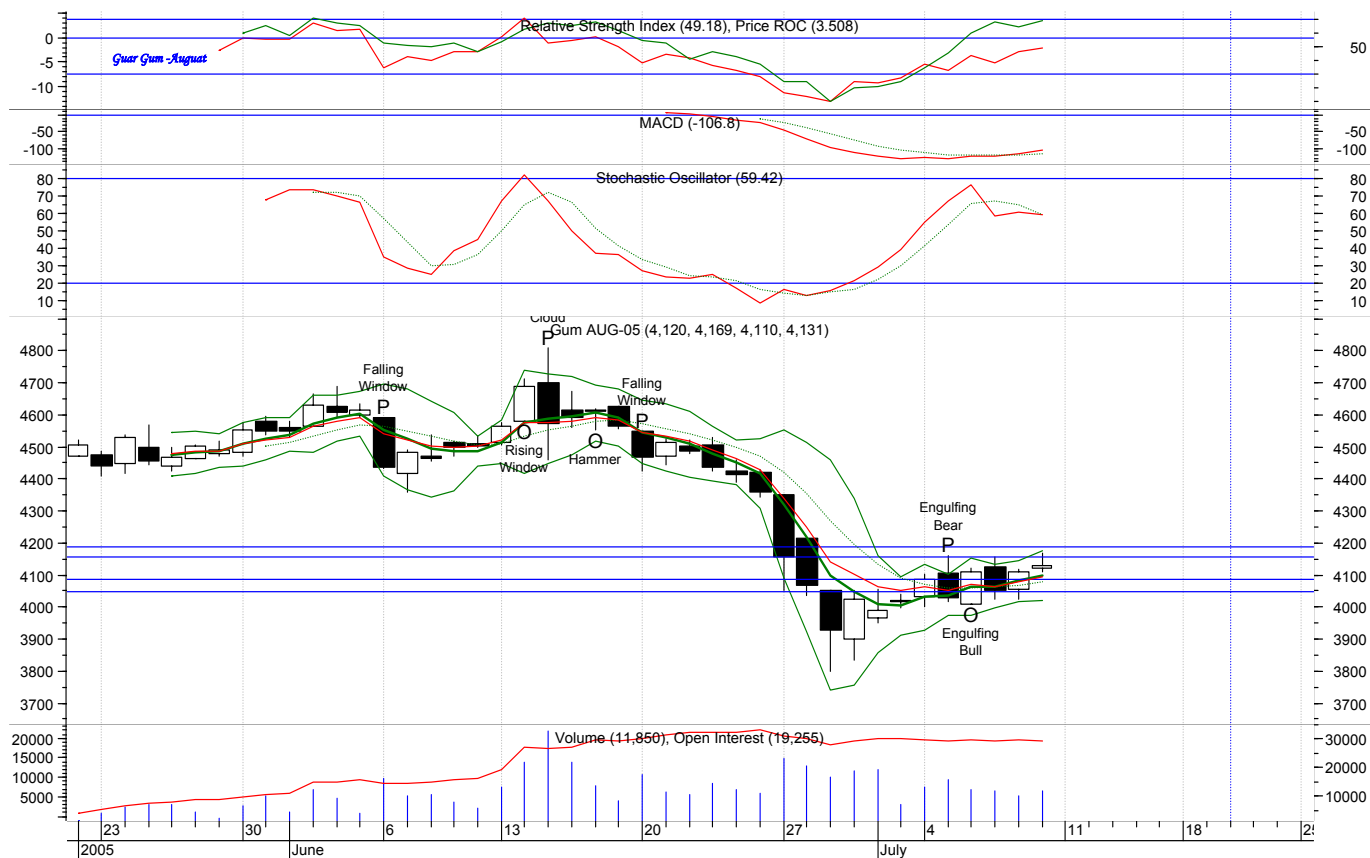
Alignment pattern:

The alignment pattern of moving averages is clearly hinting for higher prices.

Guar gum July contract traded range bound and settled higher. Guar gum is expected to open firm and trade in range bound downward next week.

Market outlook:

Guar gum is expected to open firm, move initially higher but come down on the same day or second day of next week. For first 2-3 days during next week, prices may move down and recover slightly during weekend.



EXCHANGE RATE:

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
European Union	Euro	52.38
United Kingdom	GBP	77.59
Japan	100 Yen	39.19

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