

GUAR SEED and GUAR GUM

July 01, 2005

MAJOR ACTIVITY HIGHLIGHTS

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

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded range bound in a wide range and finished slightly lower from previous close. Slight rain was witnessed in Ganganagar today where as Bikaner also witnessed light showers last night. Light clouds were noticed in Jodhpur also. Following the futures, physical markets also traded range bound and in Jodhpur market, Bikaner line 98% whitish guar traded in the range of Rs.1475-1520 per quintal during whole day. In Bikaner market, guar seed was sold at Rs.1465 per quintal. Other markets witnessed slight range bound trade today.

Guar gum futures at NCDEX today settled lower after witnessing range bound trade through out the day. Guar gum in physical markets also followed the futures and after trading range bound, it settled slightly higher. In Jodhpur market, guar gum traded in the range of Rs. 3950-3850 per quintal and was available at RS.3900 per quintal during evening.

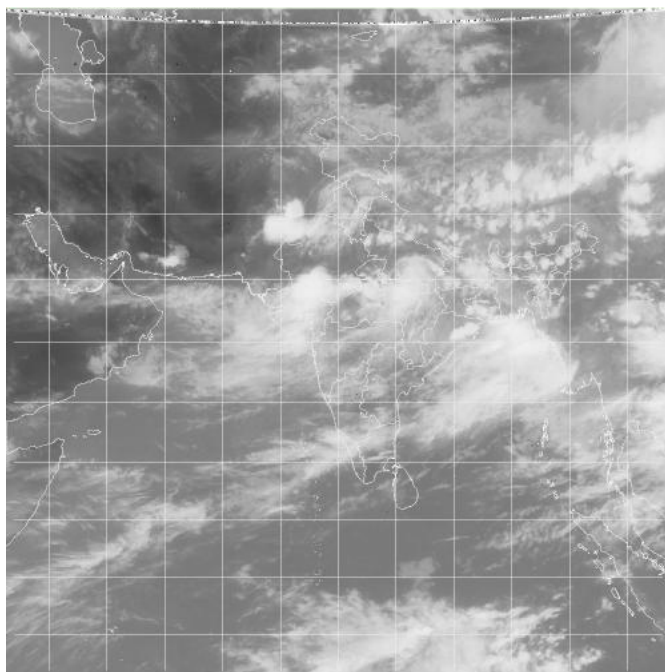
It rained slightly in Bikaner last night and Ganganagar witnessed rains today afternoon which governed the movement of guar seed and gum today. According to latest release of IMD, the overall rainfall deficiency has now come down from 49% as on 22 June to 15% as on 30 June. Also, while good rainfall activity over central India may continue for another 2-3 days, there could be increase in rainfall activity over NW India during 3-5 July,2005. The overall rainfall deficiency for the country as a whole, is likely to decrease further.

Salient points of the day

- Guar seed and gum traded in a wide range and closed at lower level at the end.
- Clear to cloudy sky in almost all guar growing areas of Rajasthan but enough dark clouds were noticed in Bikaner.
- Light showers in Bikaner last night and good rains in some parts of Ganganagar today.
- Northern limit of southwest monsoon has now covered almost all India. According to IMD, Southwest monsoon has further advanced into entire Arabian Sea, the remaining parts of Gujarat, East Rajasthan, Punjab, Haryana, Himachal Pradesh, entire Jammu & Kashmir and parts of West Rajasthan.

- There could be increase in rainfall activity over NW India during 3-5 July,2005.

Satellite Image Showing Monsoon Cloud Cover Over Indian Continent at 5:30PM
(Source:IMD)



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

CommodityCentres	30.06.05	01.07.05	Change
Guar seed: Bikaner	1460	1465	+5
Jodhpur-B line	1500	1510	+10
Jodhpur-M line	1470	1475	+5
Nokha	1375	1375	0
Alwar	1300	1300	0
Khairthal	1300	1300	0
Ganganagar	1420	1420	0
Guar Gum:	3850	3900	+50

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	292.2	290	290.1	-2.1
September	-	292	293.2	-

Price movements at Bikaner Vayda

New September contract was started today at Bikaner vayda. Bikaner guar seed vayda today opened at 12:30 PM which traded range bound throughout the day and finally closed at lower level. July contract of Bikaner guar vayda opened at 290 and closed at 290.1, down by Rs.10.5 per quintal from previous close, where as September contract which opened today at 292, was closed at 293.2.

WEATHER WATCH

(Medium Term Forecast as on June 27, 2005- for next 5 days)

Weather Systems:

Southwest monsoon has advanced over some more parts of Gujarat, entire east Madhya Pradesh and east Uttar Pradesh; most parts of west Madhya Pradesh and Uttranchal and some parts of south east Rajasthan, west Uttar Pradesh and Himachal Pradesh. The northern limit of monsoon passes through Nalia, Ahmedabad, Kota, Gwalior, Bareilly, Dehradun, Sundernagar, 32 deg. N/79 deg. E.

An upper air cyclonic circulation is developing over north Bay of Bengal. The circulation is likely to descend down and concentrate into a low pressure system within next 24 Hrs. With the formation of low pressure system, monsoon activity over Central India is likely to enhance during next 3 days.

Conditions are favourable for further advancement of monsoon over remaining parts of West Uttar Pradesh, Uttranchal, West Madhya Pradesh, Gujarat, Saurashtra and Kutch, and some more parts of east Rajasthan, Himachal Pradesh and parts of Haryana (including Delhi), Punjab and Jammu & Kashmir during next 2-3 days.

A weak western disturbance is likely to approach J&K and adjoining area by during 30 June -1July05. Under the combined influence of this and monsoonal winds, scattered to fairly wide spread rainfall may occur over certain parts of hilly regions of NW India during 30June-1July.

Rainfall:

Fairly widespread rainfall is likely over Uttranchal, West Uttar Pradesh during next 24 hours. Scattered rains are also likely over Himachal Pradesh during next 24 hours.

Fairly wide spread to Widespread rains are expected over Konkan & Goa, Vidarbha, East Madhya Pradesh, Chattisgarh, Orissa, West Bengal and Northeastern States during next 3-4 days.

Fairly wide spread rainfall is likely over Andaman & Nicobar Islands, Coastal and North Interior Karnataka, Kerala, North Coastal Andhra Pradesh, North Telanagana, Lakshadeep during the week.

Scattered to fairly wide spread rainfall is likely over West Madhya Pradesh, Jharkhand and Bihar, Madhya Maharashtra, Marathawada, Gujarat region, Saurashtra & Kutch and East Rajasthan and Haryana during later part of the week.

Isolated to Scattered rainfall is likely over Tamilnadu, Rayalaseema, South Interior Karnataka. Isolated rainfall is likely over west

CURRENT WEATHER SITUATION (01-07-05)

PROGRESS OF MONSOON;

Yesterday's depression over Jharkhand and neighbourhood moved northwestwards and now lies over northeast Madhya Pradesh and adjoining southeast Uttar Pradesh with its centre today at 0830 hours IST close to Rewa. The system is likely to move slowly in a west-northwesterly direction. The other upper air cyclonic circulation over northwest Rajasthan and neighbourhood also persists and now extends upto 2.1 km above sea level. The axis of the monsoon trough at sea levels passes through Bikaner, Ajmer, Sawai Madhopur, Jhansi, centre of the depression, Chandbali and thence east-southeastwards.

Forecast for Next 24 Hours

NORTH : rain/thundershowers likely at many places over Jammu division of Jammu & Kashmir, Uttar Pradesh, Uttranchal and Himachal Pradesh and at a few places in the rest region.

EAST : rain/thundershowers likely at most places in east Madhya Pradesh and Chhattisgarh; at many places over the rest region.

SOUTH : rain/thundershowers likely at many places over coastal & south interior Karnataka and Kerala and at few places in the rest region outside Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated.

WEST : rain/thundershowers likely at most places over Konkan & Goa and Gujarat state and west Madhya Pradesh and at many places over rest region outside west Rajasthan where it may be at a few places.

Heavy Rainfall Warning

Heavy to very heavy rainfall likely at a few places over Madhya Pradesh, Chattisgarh, Konkan and Gujarat state. Isolated heavy rainfall also likely over sub-Himalayan West Bengal & Sikkim, east Rajasthan, madhya Maharashtra, Vidarbha, coastal Karnataka and kerala.

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 trade on Saturday.

Stochastic:

The stochastic has come out from over sold region and now moving in neutral region, %K is lying crossed %D line from below and expecting the technical correction towards higher side.

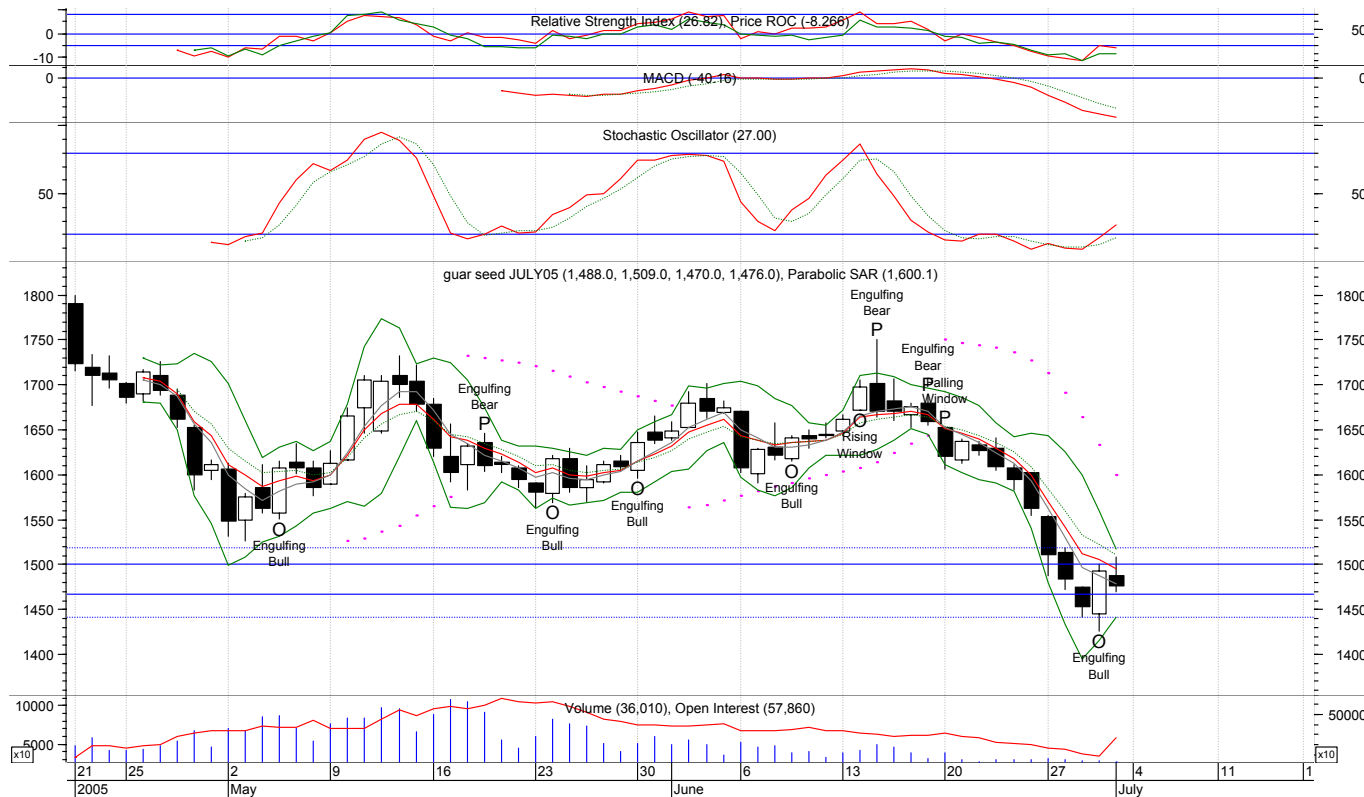
MACD:

The MACD (5-day) is still moving downward below zero line and lying below its EMA but has flattened slightly, indicating that prices may remain marginally weaker next day.

Alignment pattern:

The alignment pattern of moving averages is yet not confirming upward trade completely.

Guar seed traded range bound and settled lower. It is expected to open firm/steady and trade range bound but still dependent on monsoon/rains.



Market outlook:

- Now the guar seed prices are expected to open steady and witness marginal upward movement initially tomorrow. But again the same thing is to be kept in mind that a good rain may cause to move prices again downward.
- Trade with very short-term outlook.

Commodity: Guar Gum

Perspective: Very Short Term

NCDEX July Contract

Candlestick:

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

Stochastic:

The stochastic is moving upward, %K line has crossed %D line from below in the neutral region, expecting trade towards higher side next day.

MACD:

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

Alignment pattern:

The alignment pattern of moving averages is not confirming the upward moves in prices.

Guar gum July contract traded range bound and settled lower. August and September contracts also followed the same. Guar gum is expected to open steady and trade in range bound upward next day.

Support and Resistance level for Guar Seed :

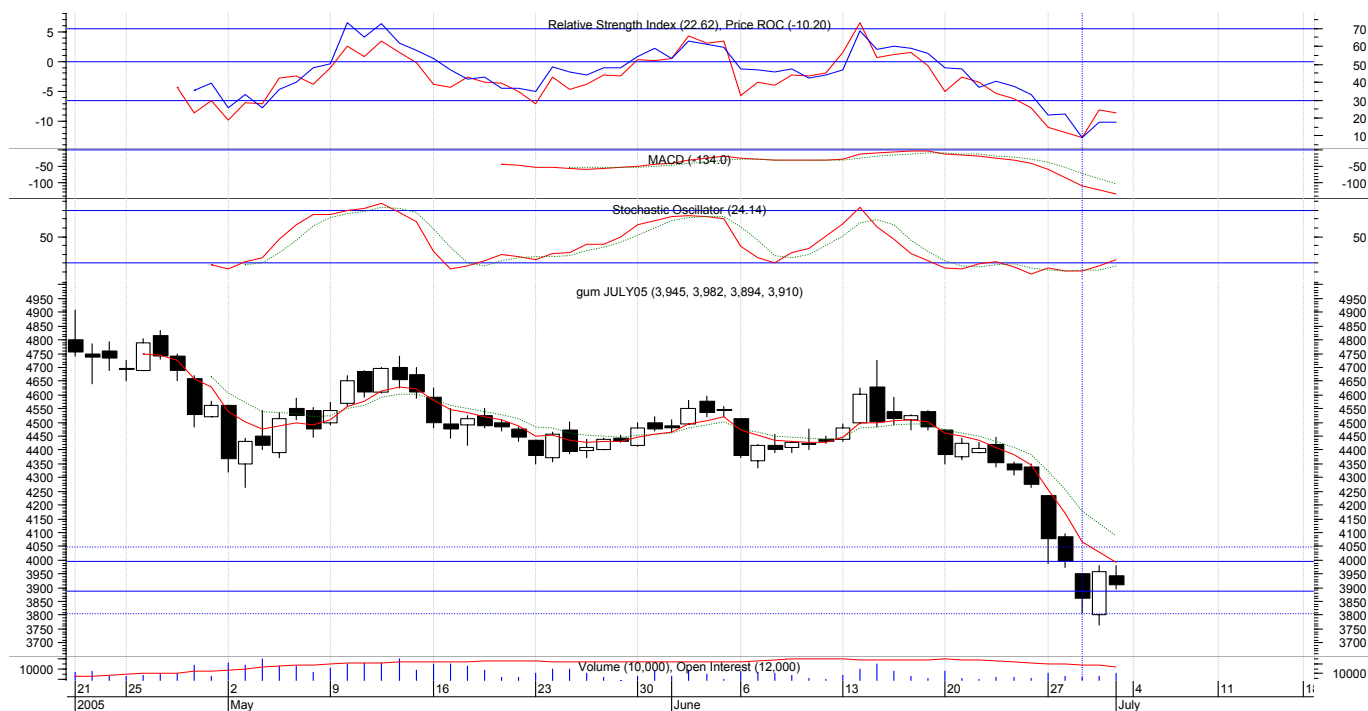
Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1467	1442	1500	1519
August	1482	1452	1526	1547

Market outlook:

- Now the guar gum is expected to open steady and move towards higher side. But the risk factor is good rain in Guar areas which may turn the prices downward.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	3886	3806	3997	4046
August	3942	3850	4068	4124



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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