

GUAR SEED and GUAR GUM

July 20, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded almost steady
- Guar vayda witnessed range bound trade before finishing lower

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**

NCDEX August Contract

Candlestick:

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

Stochastic:

The stochastic is changing its curvature in overbought region, %K line has crossed %D line from above and moving downward, now expecting technical correction towards downward.

MACD:

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

Alignment pattern:

The alignment pattern of moving averages is giving indication for higher moves in market prices.

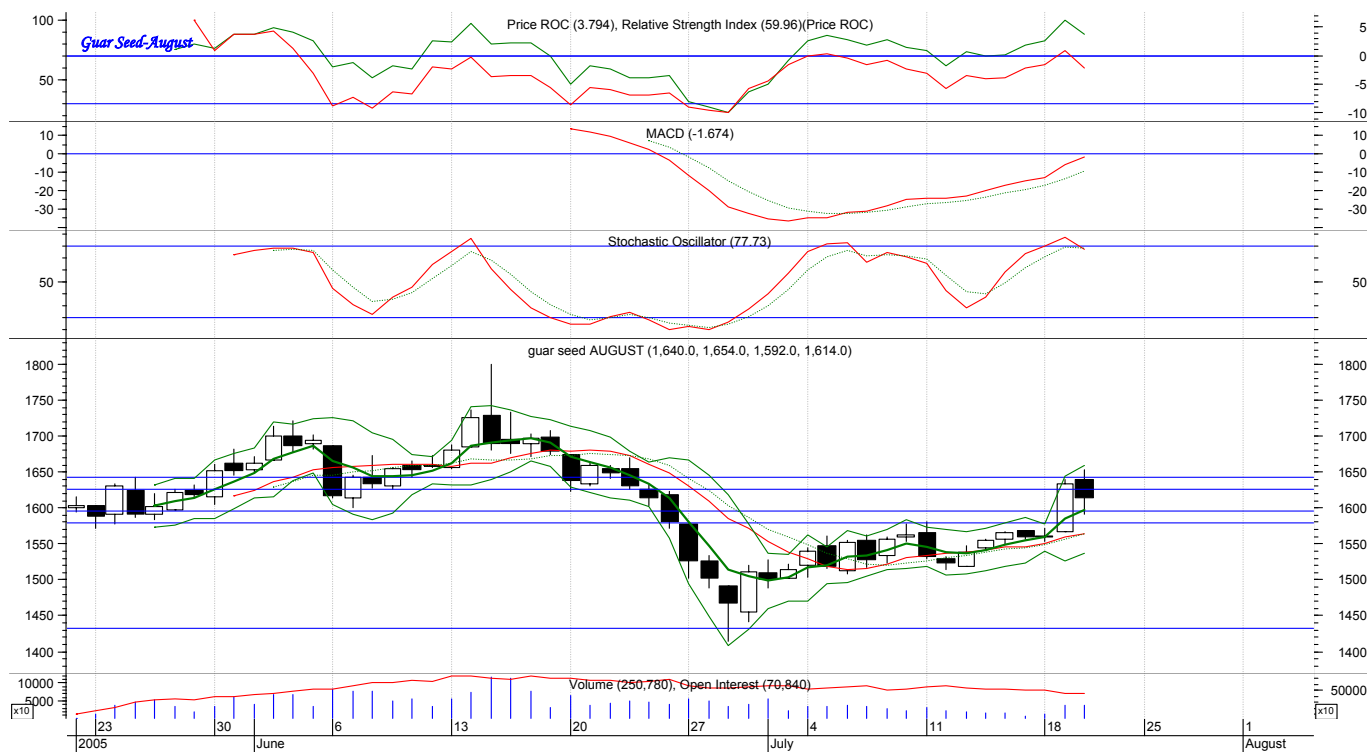
Guar seed future witnessed strong fluctuation and traded range bound downward and settled lower than previous close. It is expected to open firm and trade range bound next day.

Market outlook:

- Guar seed prices are expected to open firm, trade marginally upward initially and downward later on for Thursday. Weather condition is still favouring bullish sentiments, but amid lack of any strong buying support from millers, it may not sustain for long time.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	1596	1579	1627	1643
Sept.	1633	1620	1663	1679



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

Candlestick:

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

Stochastic:

The stochastic is lying in neutral region, %K line has crossed %D line from above and moving downward, expecting lower trades next day.

MACD:

The MACD (5-day), is moving upward in negative zone and lying above its EMA, indicating slight strength in the market.

Alignment pattern:

The alignment pattern of moving averages is indicating towards further upward moves.

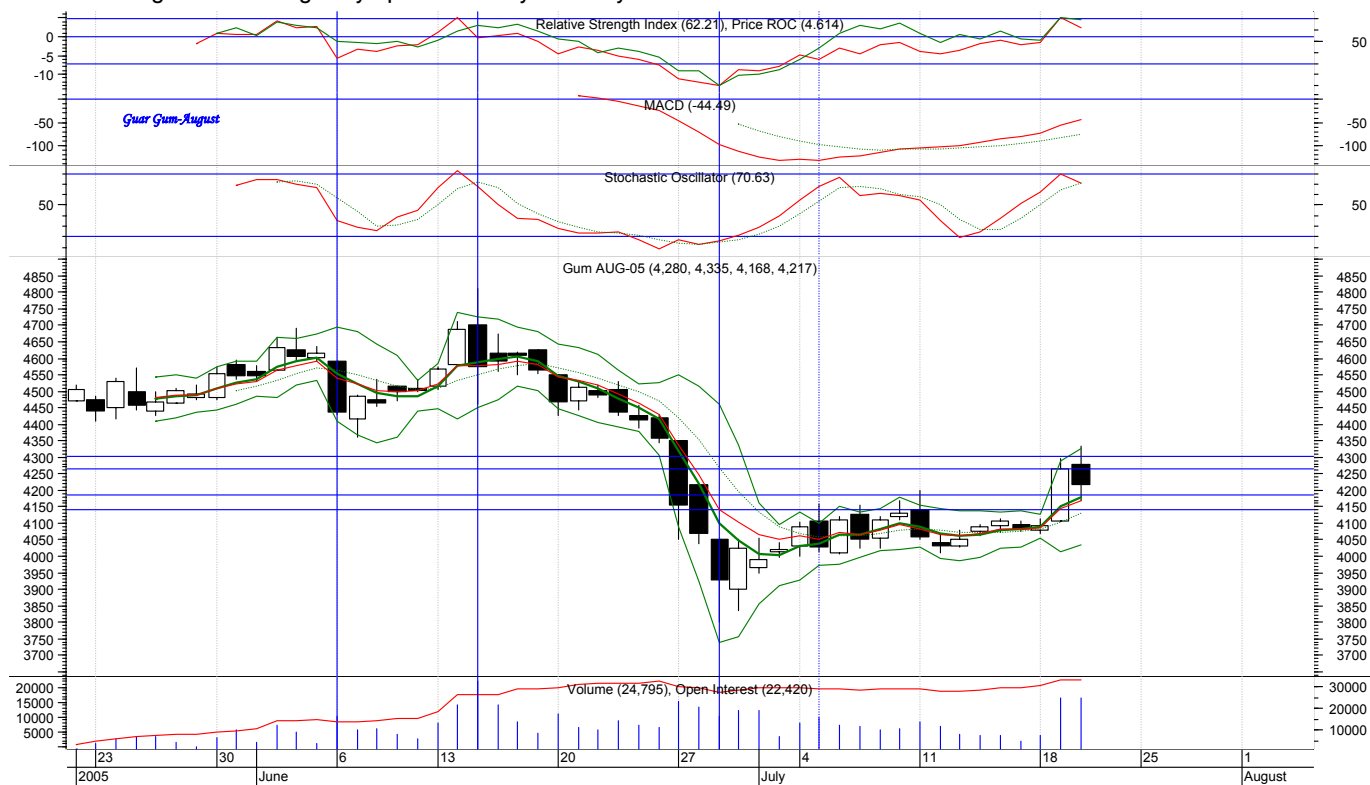
Guar gum traded range bound with high fluctuation and finished the day at lower level. It is expected to open firm and trade range bound marginally upward initially next day.

Market outlook:

- Guar gum is expected to open firm and move upward initially and may come downward later on. As the trade going on since last two days are purely speculative, without any good physical buying demand by traders, higher prices could not sustain, so continuous alertness regarding price movement is must.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	4185	4140	4264	4302
Sept.	4262	4224	4349	4386



MARKET COMMENTARY OF MAJOR MARKETS

It was second consecutive day when purely speculative trade was observed in guar seed futures under the influence of expiry of July contract and clear weather in Rajasthan. Future contracts today opened firm in the morning, traded upward initially, came down steeply, witnessed range bound trade through out the day and finally closed at lower level at the end. Physical markets followed the futures and traded behind it. Jodhpur market which had witnessed the price of Bikaner line 98% whitish guar seed upto Rs.1700 per quintal yesterday, fluctuated around Rs.1650 per quintal during whole day today. Bikaner market also touched the price upto Rs.1600 per quintal but came down to Rs.1550 per quintal during evening. Other markets also witnessed the fluctuation and finished the day at lower level.

Guar gum too could not remain untouched and saw huge fluctuation today. Future contracts moved higher initially, fell steeply thereafter, traded range bound for whole day and finished at lower ground. Guar gum cash markets also traded like that and was traded upto Rs.4350 but moved around Rs.4200-4250 per quintal most of the time today.

Still there are no such strong buying demand from millers or exporters in cash market what is being speculated in future markets. This is purely artificial price constructed by a cartel of speculators who are distorting the market prices with the support of current monsoon break and hot sunny weather in Rajasthan now days. These prices are not expected to sustain for long in the absence of actual buying support from cash markets. Though the current weather situation is favouring the bulls and they are still having little time to play their game but the prices should come down to normal level very soon.

Commodity	Centres	19.07.05	20.07.05	Change
Guar seed: Bikaner		1560	1550	-10
	Jodhpur-B line	1650	1650	0
	Jodhpur-M line	1625	1620	-5
	Nokha	1510	1480	-30
	Alwar	1380	1360	-20
	Khairthal	1380	1360	-20
	Ganganagar	1530	1515	-15
Guar Gum:		4225-50	4200	-50

Salient points of the day

- Guar seed as well as guar gum traded range bound downward.
- Sunny and windy weather in whole Rajasthan.
- Prices are expected to move upward initially tomorrow morning and come down later on.

- Current hot sunny weather is favouring upward sentiment but prices are expected to come down very soon.

Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	304.4	304.4	302.7	-1.7
Sep.	313.6	313.9	313	-0.6

Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm, traded upward initially but range bound thereafter through out the day and closed at almost previous level. September contract, which opened firm at 313.9, closed at 313, down by Rs.3 per quintal.

WEATHER WATCH

Current Weather Situation (20-07-05)

PROGRESS OF MONSOON;

An upper air cyclonic circulation lies over Marathwada and neighbourhood and extends between 3.1 and 5.8 km above sea level. Yesterday's upper air cyclonic circulation over central Bay of Bengal has become less marked. The other upper air cyclonic circulation over central Pakistan and adjoining northwest Rajasthan extending upto 2.1 km above sea level has also become less marked. The axis of the monsoon trough at sea level passes through Ferozpur, Patiala and thence along the foothills of Himalayas to Nagaland, Manipur, Mizoram & Tripura. Southwest monsoon has been vigorous over Sub-Himalayan West Bengal & Sikkim and Rayalaseema and active over Arunachal Pradesh, Gangetic West Bengal, Himachal Pradesh, Jharkhand, Bihar and Coastal Karnataka. Rain/thundershowers occurred at most places over Andaman & Nicobar Islands, Assam & Meghalaya and Kerala; at many places over east Uttar Pradesh, Konkan & Goa and Lakshadweep and at a few places over Nagaland, Manipur, Mizoram & Tripura, Orissa, west Uttar Pradesh, Jammu & Kashmir, Chhattisgarh, madhya Maharashtra, Marathwada, Vidarbha, Telangana and north interior Karnataka. It was isolated over rest regions of the country outside Rajasthan where the weather was mainly dry.

Forecast for Next 24 Hours

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, northeastern states, Sub-Himalayan West Bengal & Sikkim, Bihar, East Uttar Pradesh, Uttaranchal, Himachal Pradesh, Konkan & Goa, coastal Karnataka, Kerala and Lakshadweep and at a few places over Gangetic West Bengal, Orissa, Jharkhand, east Madhya Pradesh, Chhattisgarh, Madhya Maharashtra, Marathwada and interior Karnataka. It may be isolated over rest regions of the country.

Outlook for subsequent two days :

Ongoing rainfall activity over northeastern States, sub-Himalayan West Bengal & Sikkim, Bihar, and along West coast is likely to continue.

Rainfall activity likely to increase over Gangetic West Bengal, Orissa and north coastal Andhra Pradesh and also over central parts of the country.

Heavy Rainfall Warning

Heavy to very heavy rainfall likely at isolated places over sub-Himalayan West Bengal & Sikkim and northeastern

States. Isolated heavy rainfall also likely over Bihar, Konkan and Goa, Coastal Karnataka and Kerala.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.54
European Union	Euro	52.53
United Kingdom	GBP	75.62
Japan	100 Yen	38.48

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