

GUAR SEED and GUAR GUM

July 11-16, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda settled marginally weaker

MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX witnessed steep downfall on first day of the week and traded range bound upward thereafter in the week and finally finished at marginally lower ground at the end. Almost clear and windy weather was witnessed in western parts of Rajasthan and amid this, guar seed travelled marginally upward during the week. Guar seed in physical markets were witnessing slight buying support and along with rising future prices, physical prices also improved marginally but traded in narrow range during the week. In Jodhpur market, Bikaner line 98% whitish guar seed witnessed the range of Rs.1550-1610 per quintal during the week. Other markets of guar seed also witnessed similar sentiments.

Though according to IMD's weather report western Rajasthan has witnessed 15% above normal rainfall but according to sources, Jaisalmer and Barmer regions did not witness sufficient rains yet and in Jodhpur and Bikaner also rains were at isolated places. On the other hand, Ganganagar, Hanumangarh, and almost all eastern parts of Rajasthan have witnessed good rainfall. Sowing of Guari crop has been quite good in Guari areas. Guar sowing is not started yet and is due in last week of July. As Western Rajasthan is main guar belt, second rain in last week of July will be beneficial for Guar sowing but as for as the prices of guar is concerned, good rain in last July will push the prices down.

Week at a glance

Guar seed and gum traded range bound and ended marginally lower than last weekend's close.

Good acreage under Guari crop in guari growing regions.

Western Rajasthan witnessed 15% above normal rainfall during the period June1-July13 (last year it was 49% below normal).

Eastern Rajasthan witnessed 23% above normal rainfall during the above period (last year it was 51% below normal).

Gujarat witnessed 136% above normal rainfall during the same period (last year it was 30% below normal).

Cumulative Seasonal Rainfall in India(1st June to 13th July, 2005) : Rainfall was excess/normal in 28 and deficient/scanty in 8 out of 36 meteorological sub-divisions.

Rainfall was excess/normal in 25 and deficient in 7 out of total 32 districts of Rajasthan.

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	
09-07-05	1510	1600	1575	1400
16.07.05	1490	1585	1565	1390
Change	-20	-15	-10	-10

Figures in parentheses are market arrivals.

Market Commentary on Guar Gum

Guar gum futures at NCDEX slipped steeply initially in the week, tried to recover thereafter and traded range bound upward but overall, settled slightly lower at the weekend. Cash markets also followed the futures and traded range bound throughout the week. Guar gum was witnessing buying support in physical markets many a times during the week and it was available at Rs.4025 per quintal in Jodhpur market during weekend.

WEATHER WATCH

Forecast for the period upto 23 July, 2005

Weather Systems:

The active monsoon conditions prevailed over most parts of northwest India and central India due to the prevalent monsoon depression. During the week, monsoon rainfall activity has been quite extensive and in excess of normal over the Arunachal Pradesh,

West Uttar Pradesh, Haryana/Chandigarh/Delhi, Punjab, Himachal Pradesh, J&K, Marathwada, Vidarbha, Telangana, North Interior Karnataka and Lakshadweep that resulted in contributing about 3% above normal rainfall and 32% of the seasonal quantum of rainfall for the country. The All India rainfall scenario has transformed from deficit regime to the above normal rainfall regime during the week thus raising the total quantum of monsoon rain for the period 1June-13 July to 1% above normal from 2% below normal during the previous week.

Forecast for next 5-6 days

The upper air cyclonic circulation over north-interior Karnataka and neighbourhood is likely to cause scattered to fairly widespread rains in South Peninsula viz. Kerala, Tamilnadu, Andhra Pradesh and Karnataka during next 2-3 days.

The interaction between the upper air cyclonic circulation over west Uttar Pradesh and the Western disturbance in the form of an upper air cyclonic circulation over Punjab, is expected to cause scattered to fairly widespread rains over North West India during next 24-48 hours. The activity is expected to reduce thereafter.

NE and eastern parts of the country viz., NE States and, West Bengal, Bihar, Jharkhand and Orissa are likely to receive widespread rains during next 4-5 days.

Zone-Wise Rainfall Forecast for Next 5 Days

NORTH & NORTH-WEST INDIA [J&K, HP, UTTANCHAL, PUNJAB, HARYANA, WEST UP]: Scattered to Fairly widespread rainfall is likely over many parts of NW India viz., West Uttar Pradesh, Haryana, Punjab, Uttranchal, and Himachal Pradesh during next 24-48 hours and reduce thereafter.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]: Scattered to fairly widespread rainfall is expected over East Uttar Pradesh, Jharkhand and Orissa and fairly wide spread to wide spread rainfall with isolated heavy rains over Bihar, West Bengal, and NE States during next 4 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]: Isolated to Scattered rainfall is expected over Chhattisgarh, Madhya Pradesh and Vidarbha during next 2 days.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]: Scattered to fairly widespread rains are also likely over entire south peninsular India viz., Kerala, Karnataka, Andhra Pradesh and Tamilnadu. during next 2-3 days.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]: Fairly wide spread rains are expected over Konkan & Goa during next 2-3 days. Madhya Maharashtra, Marathwada Gujarat and West Rajasthan may receive isolated to scattered rains during above period. East Rajasthan may receive scattered to fairly wide spread rains during next 48 hours.

Source: GOI

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

Dates	Bikaner	Jodhpur	Guar Gum
09.07.05	1515	1501.6	4109.5
11.07.05	1506.45	1501.65	4108
12.07.05	1463.9	1480.3	3987.85
13.07.05	1479.7	1492.15	4024.4
14.07.05	1497.3	1506.3	4051.7

15.07.05	1500.35	1509.45	4070.8
16.07.05	1501.95	1498.65	4035.9
Change (Rs)	-13.05	-2.95	-73.6

Guar Seed futures prices at NCDEX

Dates	July Futures		Aug. Futures		Sep. Futures	
	Open	Close	Open	Close	Open	Close
09.07.05	1545	1545	1560	1563	1578	1581
11.07.05	1552	1518	1566	1532	1588	1549
12.07.05	1510	1512	1529	1523	1545	1536
13.07.05	1512	1525	1519	1538	1534	1552
14.07.05	1532	1539	1545	1555	1557	1571
15.07.05	1544	1547	1557	1565	1570	1584
16.07.05		1545		1560		1577

Guar Gum futures prices at NCDEX

Dates	July Futures		Aug. Futures		Sep. Futures	
	Open	Close	Open	Close	Open	Close
09.07.05	4065	4065	4120	4132	4185	4210
11.07.05	4092	3978	4140	4057	4220	4135
12.07.05	3960	3955	4042	4031	4147	4110
13.07.05	3960	3969	4031	4053	4124	4135
14.07.05	3999	3998	4075	4088	4140	4166
15.07.05	3990	4012	4092	4108	4160	4184
16.07.05		3985		4082		4159

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:

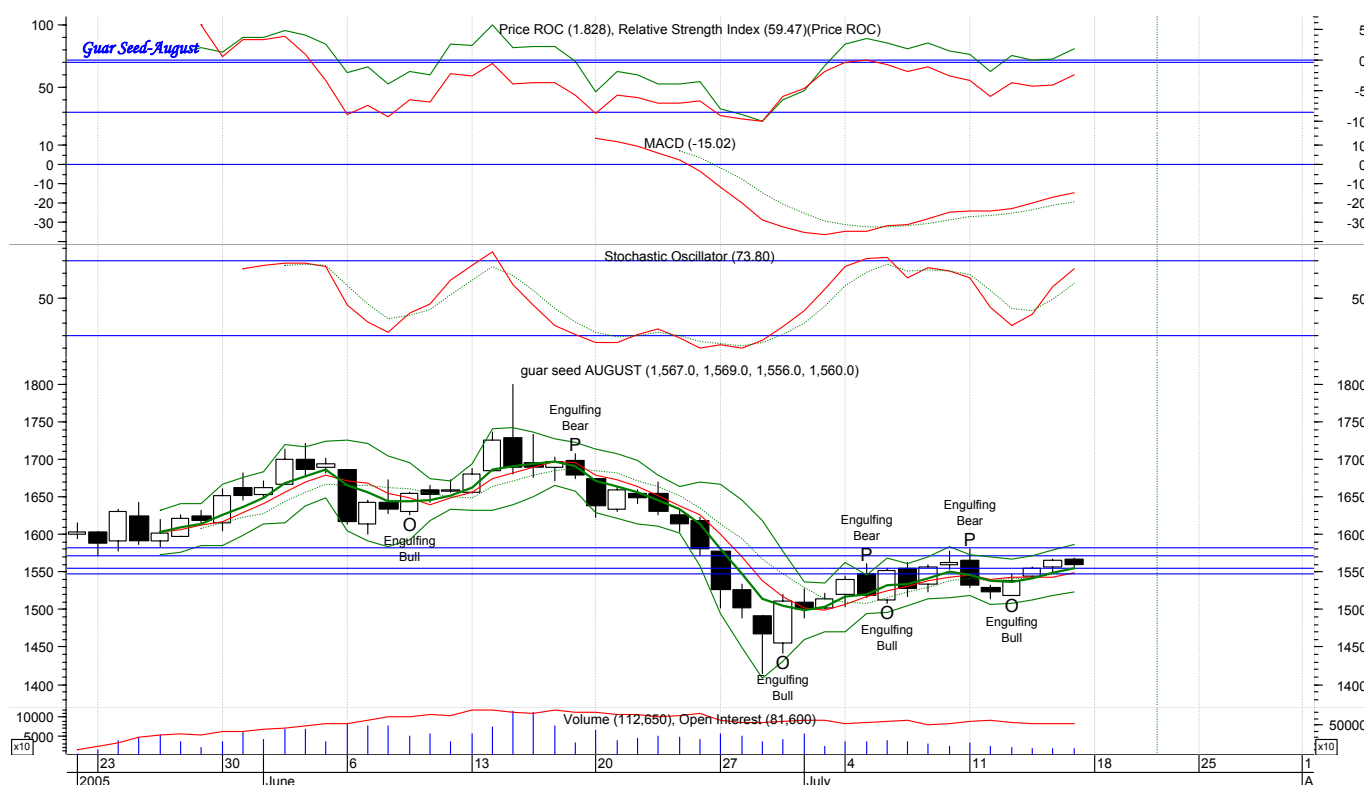
Formation of Candlestick pattern is indicating towards weaker opening and range bound trade during next trading day.

Stochastic:

The stochastic is moving upward; %K line is approaching towards overbought line and lying above %D line, still expecting marginal firmness.

MACD:

The MACD (9-day), is moving upward and lying above its EMA, indicating towards upward move in the prices.



Alignment pattern:

The alignment pattern of moving averages is hinting towards further firmness in prices.

Guar seed futures traded range bound during whole week and settled lower at the weekend. It is expected to open weaker during next week and trade range bound for next week.

Market outlook:

Guar seed prices are expected to open weaker/steady and expected to move marginally higher in range bound initial two days and downward thereafter during next week.

The MACD (9-day) is moving upward and lying above its EMA, expecting for higher prices next day.

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 the starting of next week.

Stochastic:

The stochastic is moving upward, %K line is lying above %D line and approaching towards overbought line, still expecting marginal upward move in prices.

MACD:

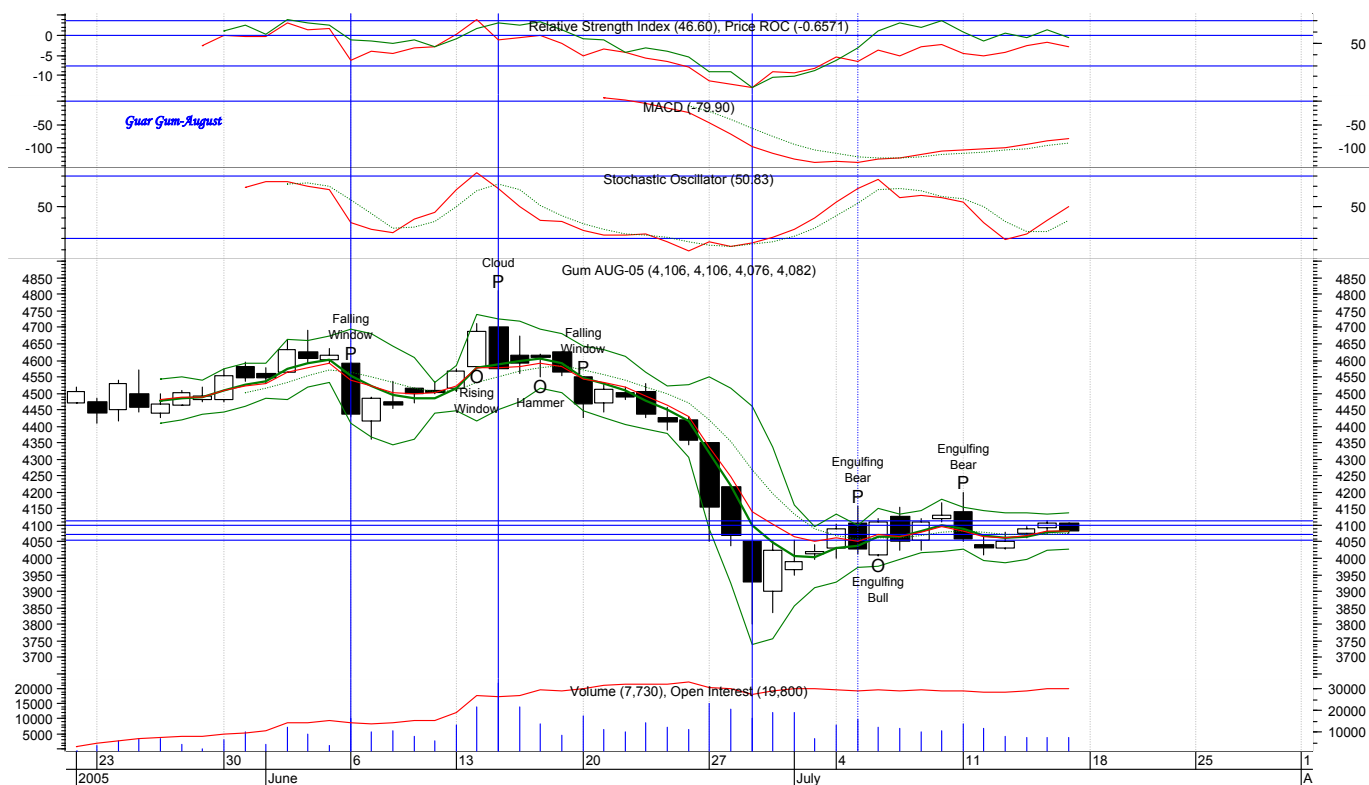
Alignment pattern:

The alignment pattern of moving averages has started indicating firmness in market prices.

Guar gum future traded range bound through out the week and settled lower than previous weekend's close. It is expected to open weaker and trade range bound next week.

Market outlook:

Guar gum is expected to open steady/weaker, move upward with range bound movements for first two days of the week and come down thereafter during next week.



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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