

GUAR SEED and GUAR GUM

July 27, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum witnessed steep downward trade
- Guar vayda settled much 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 trade on Thursday.

Stochastic:

The stochastic is moving in oversold region, %K line is still moving downward where as %D line in neutral region, expecting downward moves further.

MACD:

The MACD (5-day) has changed its curvature in positive zone and now expecting the trade towards lower side.

Alignment pattern:

The alignment pattern of moving averages is not confirming the lower movement next day.

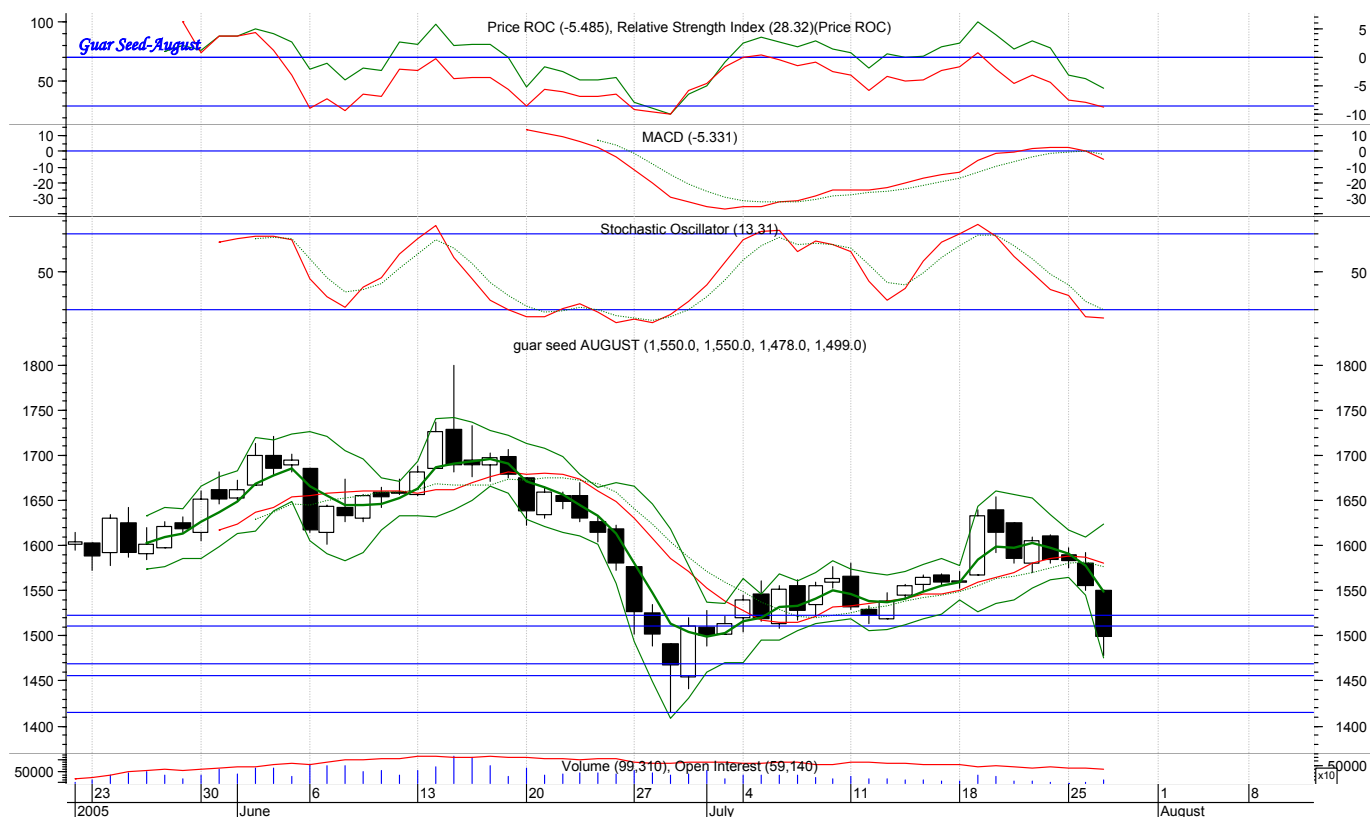
Guar seed future traded steep downward and closed much lower. It is expected to open weaker and trade range bound marginally downward initially next day.

Market outlook:

- Guar seed prices are expected to open steady/weaker and trade slightly downward initially with range bound movements on Thursday, but technical correction is also waiting for weather support.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	1469	1456	1511	1522
Sept.	1482	1469	1526	1541



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 moving in oversold region, both %K line and %D line are moving downward in oversold region and expecting slightly weaker market next day also but technical correction towards higher side may also take place in near future.

MACD:

The MACD (5-day), has cut its EMA from above and now expecting price movement towards weaker side.

Alignment pattern:

The alignment pattern of moving averages is indicating downward move in prices.

Guar gum traded weaker and finished much lower. It is expected to open weaker and trade range bound downward initially on Thursday.

Market outlook:

- Guar gum is expected to open weaker/steady and trade marginally downward range bound with range bound movements on Thursday but technical correction is also expected very soon which will be governed by weather condition.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
August	3834	3801	3934	3965
Sept.	3906	3875	4022	4061



MARKET COMMENTARY OF MAJOR MARKETS

Amid the rains in western Rajasthan last night, guar seed future at NCDEX witnessed steep downward trade for almost whole day with slight range bound movements in between and it ended near to bottom. Cash markets of guar seed also slipped steeply. Bikaner line 98% whitish guar seed slipped from Rs.1575 per quintal during morning to Rs.1540-50 per quintal during evening today. Though there was no physical transaction at these prices. In Bikaner market, guar prices moved from 1490 to Rs.1455 per quintal towards evening today. Nokha market witnessed poor weather and it was raining over there towards evening.

Guar gum futures at NCDEX traded steep downward and closed weaker. Following futures, physical markets of guar gum also slipped drastically. In Jodhpur market, guar gum started moving down right from the morning and was sold at Rs.3950 per quintal towards evening today.

There was sudden change in weather condition of western Rajasthan yesterday night and light rains were witnessed in some parts of Bikaner, Jodhpur, Barmer etc., which turned the sentiments completely downward, and prices of guar seed as well as guar gum felt steep downfall today. The record rain in Mumbai yesterday (Mumbai witnessed 94.4 cm rainfall on Tuesday which was all time high for any place in the country)also helped the prices pushing down. Today also it was cloudy weather in western Rajasthan during whole day that kept the prices around lower limits of the day. Also according to IMD, a cyclonic circulation lies over West Rajasthan and adjoining Pakistan and extends upto 0.9 km above sea level, which may lead a wet weather in coming days. All these together are still indicating towards weaker market sentiments and guar seed prices may move further downward.

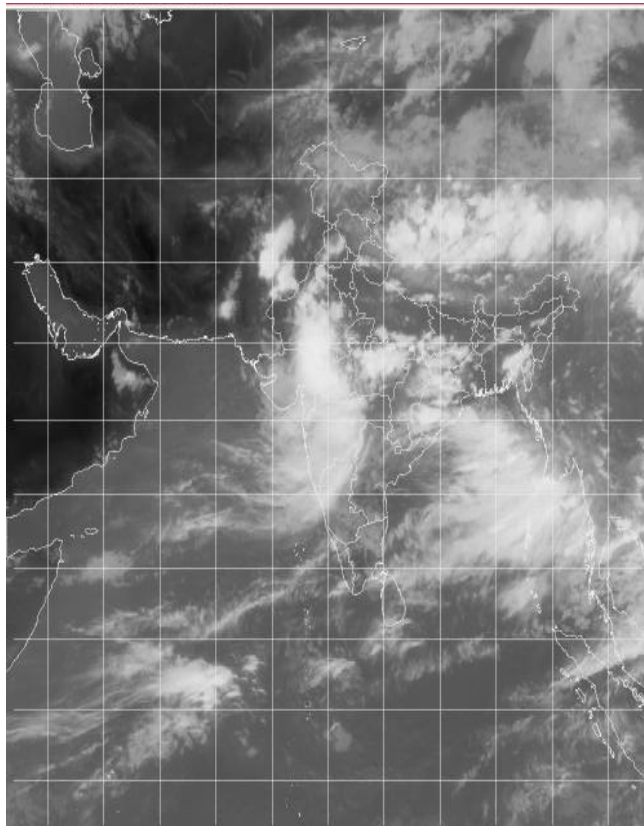
Commodity	Centres	26.07.05	27.07.05	Change
Guar Seed	Bikaner	1490	1455	-35
	Ganganagar		1445	-
	Jodhpur-B line	1575	1540-50	-25
	Jodhpur-M line	1550	1430	-20
	Nokha	1450-60	Rains	-
	Alwar	1350	Closed	-
	Khairthal	1350	1335	-15
Guar Gum:		4075	3950	-125

Salient points of the day

- Mumbai witnessed record rains on Tuesday (94.4 cm), continued receiving rains today also.
- Western Rajasthan witnessed slight rains last night.

- Guar seed as well as guar gum traded steep downward.
- Cloudy weather in parts of western Rajasthan, as well as in eastern Rajasthan.
- Prices are expected to move range bound marginally downward initially on Thursday and range bound thereafter.

Satellite Image Showing Latest Cloud Cover in Bay of Bengal (IMD-5:30PM)



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	305	298.5	297.4	-7.6

Price movements at Bikaner Vayda

Bikaner guar vayda today opened weaker, started moving downward but circuit closed immediately at 297.4.

WEATHER WATCH

Current Weather Situation (27-07-05)

PROGRESS OF MONSOON;

Yesterday's well marked low pressure area over Orissa and neighbourhood now lies over East Madhya Pradesh and

neighbourhood. The associated upper air cyclonic circulation extends upto mid-tropospheric levels tilting southwestwards with height. System is likely to move in a west-northwesterly direction. The off-shore trough from Konkan to Karnataka Coast persists. A cyclonic circulation lies over West Rajasthan and adjoining Pakistan and extends upto 0.9 km above sea level. The axis of the monsoon trough at sea level passes through Bikaner, Sawai Madhopur, centre of well marked low pressure area, Jharsuguda, Chandbali and thence eastwards to north east Bay of Bengal. Southwest monsoon has been vigorous over Konkan & Goa and Interior Karnataka and active over Gangetic West Bengal, Madhya Pradesh, Chhattisgarh, West Uttar Pradesh, Rajasthan, Madhya Maharashtra, Marathawada and Telangana. Rain/thundershowers occurred at most places over Assam & Meghalaya, Jharkhand, Vidarbha, Coastal Karnataka and Kerala; at a few places over Andaman & Nicobar Islands, Nagaland, Manipur, Mizoram & Tripura, Orissa and Uttaranchal and at a few places over rest regions of the country outside East Uttar Pradesh, Punjab, Saurashtra & Kutch, Coastal Andhra Pradesh and Tamil Nadu & Pondicherry where it was isolated.

Forecast for Next 24 Hours

Rain/thundershowers are likely at most places over Andaman & Nicobar Islands, West Madhya Pradesh, Maharashtra & Goa and north Karnataka; at many places over Orissa, Chhattisgarh, East Madhya Pradesh, East Rajasthan, Gujarat State, rest Karnataka and Telangana

and at a few places over rest regions of the country outside Tamil Nadu & Pondicherry where it may be isolated.

Outlook for subsequent two days :

Further increase in rainfall activity over Gujarat & northwest India. Ongoing rainfall activity along west coast is likely to continue. Decrease in rainfall activity over Madhya Pradesh and interior Maharashtra.

Heavy Rainfall Warning

Heavy to very Heavy rainfall likely at a few places over Maharashtra, Goa and southwest Madhya Pradesh. Isolated heavy rainfall also likely over northwest Madhya Pradesh, north Karnataka, Gujarat and East Rajasthan.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.52
European Union	Euro	52.42
United Kingdom	GBP	75.91
Japan	100 Yen	38.94

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