

GUAR SEED and GUAR GUM

July 25, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda settled almost at previous level

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: **Very Short Term**

NCDEX August Contract

Candlestick:

Formation of Candlestick pattern is indicating towards steady opening and range bound trade on Tuesday.

Stochastic:

The stochastic is moving in neutral region, %K line is still lying below the %D line and moving downward, expecting further downward moves.

MACD:

The MACD (5-day) is now lying in positive zone but slightly flattened still expecting the trade towards higher side.

Alignment pattern:

The alignment pattern of moving averages is yet hinting higher moves next day.

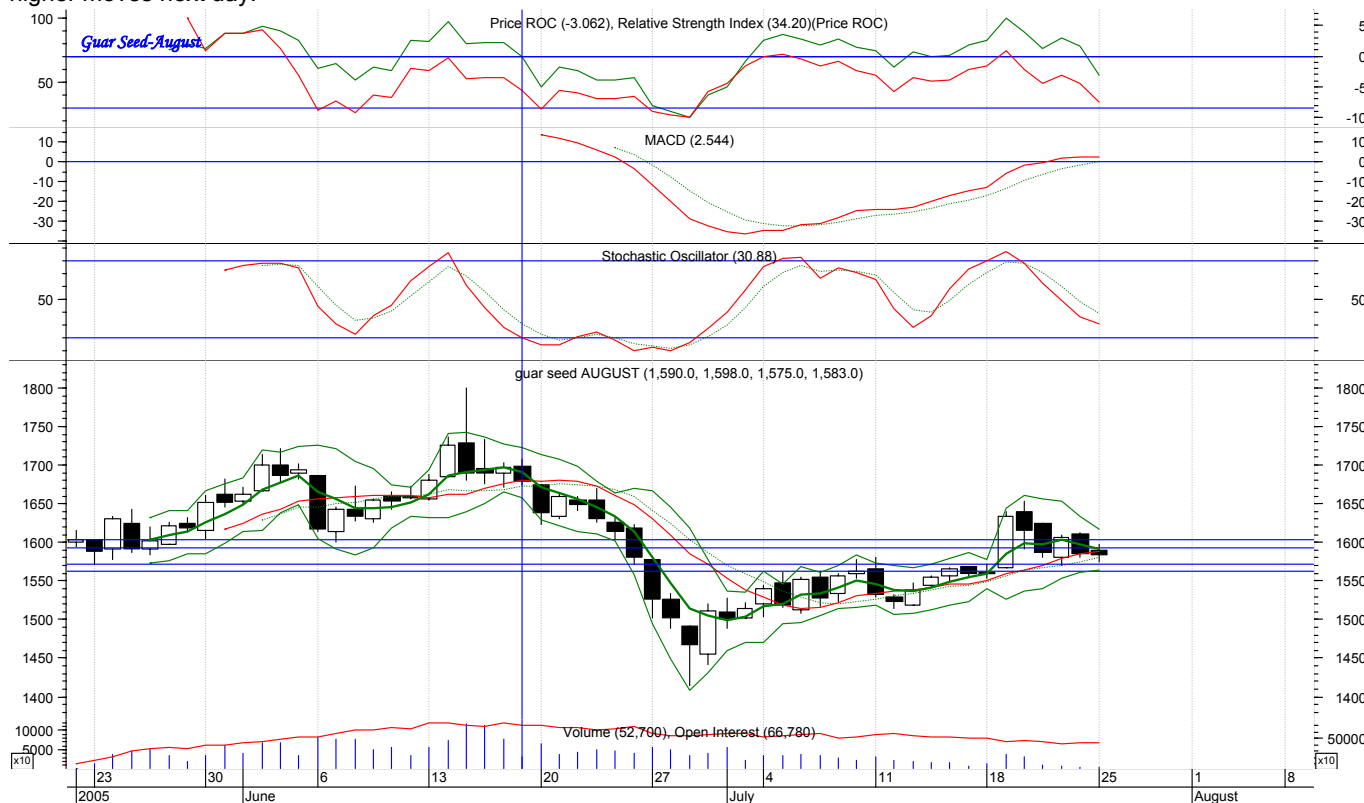
Guar seed future traded range bound and closed almost same level to previous close. It is expected to open steady and trade range bound marginally downward next day.

Market outlook:

- Guar seed prices are expected to open steady/weaker and trade and trade slightly downward with range bound movements on Tuesday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| August | 1571 | 1563 | 1592 | 1603 |
| Sept. | 1593 | 1582 | 1620 | 1634 |



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

Candlestick:

Formation of Candlestick pattern is indicating towards steady opening and range bound trade on Tuesday.

Stochastic:

The stochastic is lying close to oversold region, %K is lying below the %D line and moving downward, expecting further weaker market next day.

MACD:

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

Alignment pattern:

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

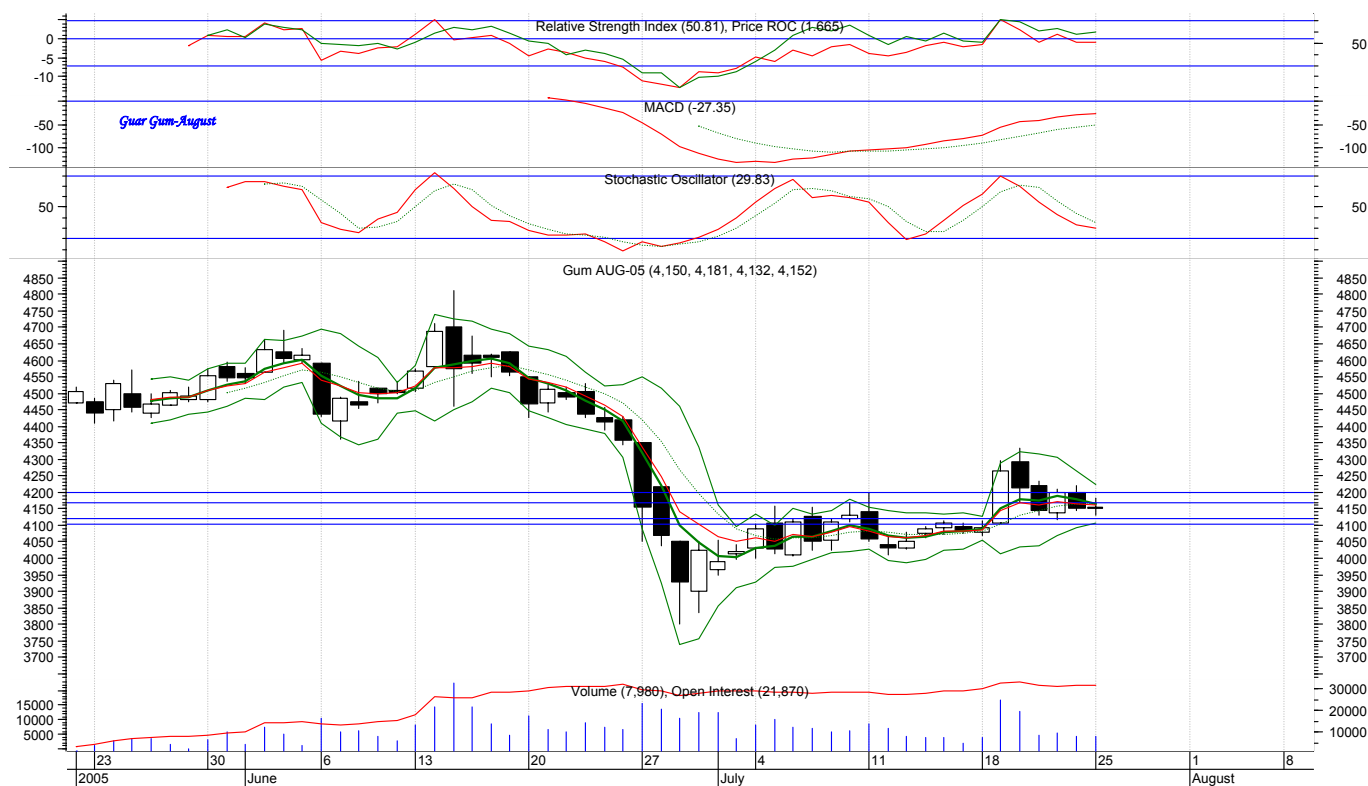
Guar gum traded range bound and finished almost similar to previous close. It is expected to open steady and trade range bound marginally downward on Tuesday.

Market outlook:

- Guar gum is expected to open weaker/steady and trade range bound, marginally downward on Tuesday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| August | 4121 | 4105 | 4170 | 4200 |
| Sept. | 4200 | 4165 | 4259 | 4287 |



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed future contracts at NCDEX witnessed range bound trade through out the day, which ended almost at the same level as it was on Saturday. Cash markets also followed the same and traded range bound during whole day. Bikaner line 98% whitish guar seed was traded in the range of Rs.1600-1615 per quintal during whole day. Nokha market witnessed almost same prices of guar seed, which was available at Rs.1455 per quintal over there during evening. All other cash markets of guar seed also witnessed range bound trade today.

Guar gum futures at NCDEX witnessed range bound trade and closed at previous level. Following futures, physical markets did the same and guar gum was sold at Rs.4200 per quintal in Jodhpur during evening.

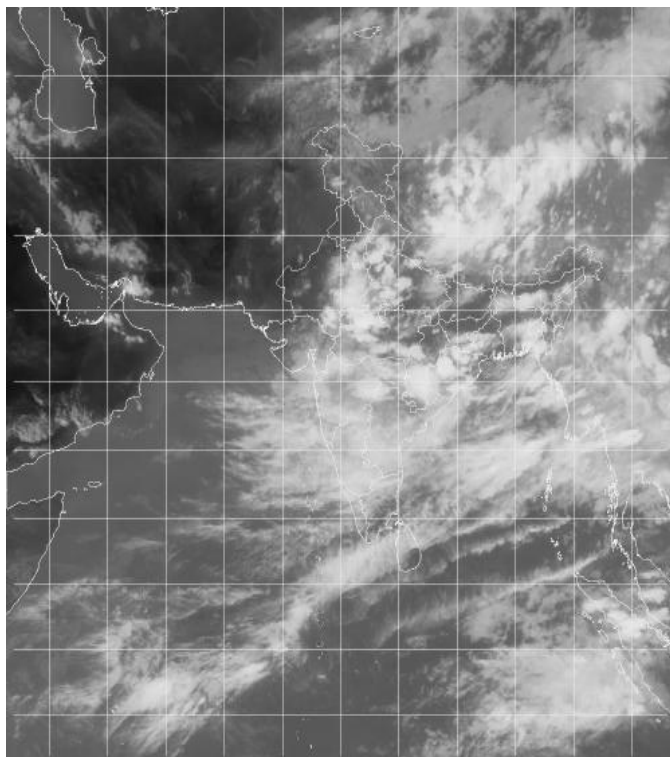
Guar seed as well as guar gum are witnessing speculative trade and are unable to follow any clear-cut direction. The market sentiments are showing firmness but the weather is hindering the movement. Today good rains were witnessed in southern India but western parts did not witness the same. Though very light drizzle was witnessed in Jaipur, Sawai Madhopur but it was not enough to effect the price movement in guar seed. The prices of guar seed were affected mainly by the cloudy weather in Jodhpur and Bikaner and light rains are expected in parts of Rajasthan tomorrow also which may help the prices to slip down little more.

Salient points of the day

- Guar seed as well as guar gum traded range bound and settled almost to previous level.
- Cloudy weather in parts of Rajasthan, light rains in parts of eastern Rajasthan.
- Prices are expected to move range bound marginally downward on Tuesday.

| Commodity | Centres | 23.07.05 | 25.07.05 | Change |
|-----------|----------------|----------|----------|--------|
| | Jodhpur-B line | 1625 | 1610 | -15 |
| | Jodhpur-M line | 1600 | 1580 | -20 |
| | Nokha | 1465 | 1455 | -10 |
| | Alwar | 1370 | 1365 | -5 |
| | Khairthal | 1370 | 1365 | -5 |
| Guar Gum: | | 4225 | 4200 | -25 |

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. | 308.5 | 310.1 | 307.8 | -0.7 |

Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm, traded range bound through out the day and closed marginally lower at the end. September contract today opened at 310.1, closed at 307.8, down by Rs.3.5 per quintal from previous close.

WEATHER WATCH

Current Weather Situation (25-07-05)

PROGRESS OF MONSOON;

Yesterday's well marked low pressure area over Northwest Bay of Bengal off Orissa-West Bengal coast persists. The associated upper air circulation extends upto mid-tropospheric levels tilting southwestwards with height. It is likely to concentrate into a depression and move slowly in a west-northwesterly direction. The off-shore trough now runs from Konkan to Karnataka Coast. Yesterday's upper air cyclonic circulation over East Uttar Pradesh has merged with the seasonal trough. The other upper air cyclonic circulation over southwest Rajasthan and neighbourhood

has become less marked. The axis of the monsoon trough at sea level passes through Ganganagar, Hissar, Agra, Rewa, Ambikapur, Balasore, centre of well marked low pressure area and thence southeastwards to north Andaman Sea. Southwest monsoon has been vigorous over Konkan & Goa, Telangana and North Interior Karnataka and active over Orissa, Madhya Pradesh, Chhattisgarh, Coastal Andhra Pradesh and Coastal & South Interior Karnataka. Rain/thundershowers occurred at most places over Nagaland, Manipur, Mizoram & Tripura, Marathawada and Vidarbha; at many places over Uttaranchal, Madhya Maharashtra and Kerala and at a few places over Gangetic West Bengal, Jharkhand, East Uttar Pradesh and East Rajasthan. It was isolated over rest regions of the country outside Punjab, West Rajasthan Saurashtra & Kutch and Lakshadweep where the weather was mainly dry.

Forecast for Next 24 Hours

Rain/thundershowers are likely at most places over Orissa, Konkan & Goa, Madhya Maharashtra, Andhra Pradesh and Karnataka; at many places over Andaman & Nicobar Islands, Jharkhand, Chhattisgarh, Marathawada, Vidarbha and Kerala and at a few places over rest regions of the country outside Haryana, Chandigarh & Delhi, Punjab, Jammu & Kashmir and Rajasthan where it may be isolated.

Outlook for subsequent two days :

Ongoing rainfall activity over east central and adjoining peninsular India is likely to continue.

Ongoing rainfall activity along West coast is likely to continue.

Increase in rainfall activity over west central & northwest India.

Heavy Rainfall Warning

Heavy to very Heavy rainfall likely at a few places over Orissa, North Coastal Andhra Pradesh, Konkan & Goa and Coastal Karnataka. Isolated heavy rainfall also likely over south Chhattisgarh, Madhya Maharashtra and south coastal Andhra Pradesh, Telangana and Interior Karnataka.

Source: GOI

EXCHANGE RATE

| Country/ Continent | Currency | Value in Rupees |
|-----------------------|----------|-----------------|
| USA | Dollar | 43.50 |
| European Union | Euro | 52.43 |
| United Kingdom | GBP | 75.56 |
| Japan | 100 Yen | 38.95 |

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