

GUAR SEED and GUAR GUM

July 11, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded downward
- Guar vayda witnessed steep downward trade

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 Tuesday.

Stochastic:

The stochastic has changed its curvature again, %K line has crossed %D line from above and moving downward in neutral region, expecting weaker prices tomorrow.

MACD:

The MACD (5-day) is moving upward and lying above its EMA, though slightly flattened, still expecting higher prices next day.

Alignment pattern:

The alignment pattern of moving averages is indicating towards higher movement in prices.

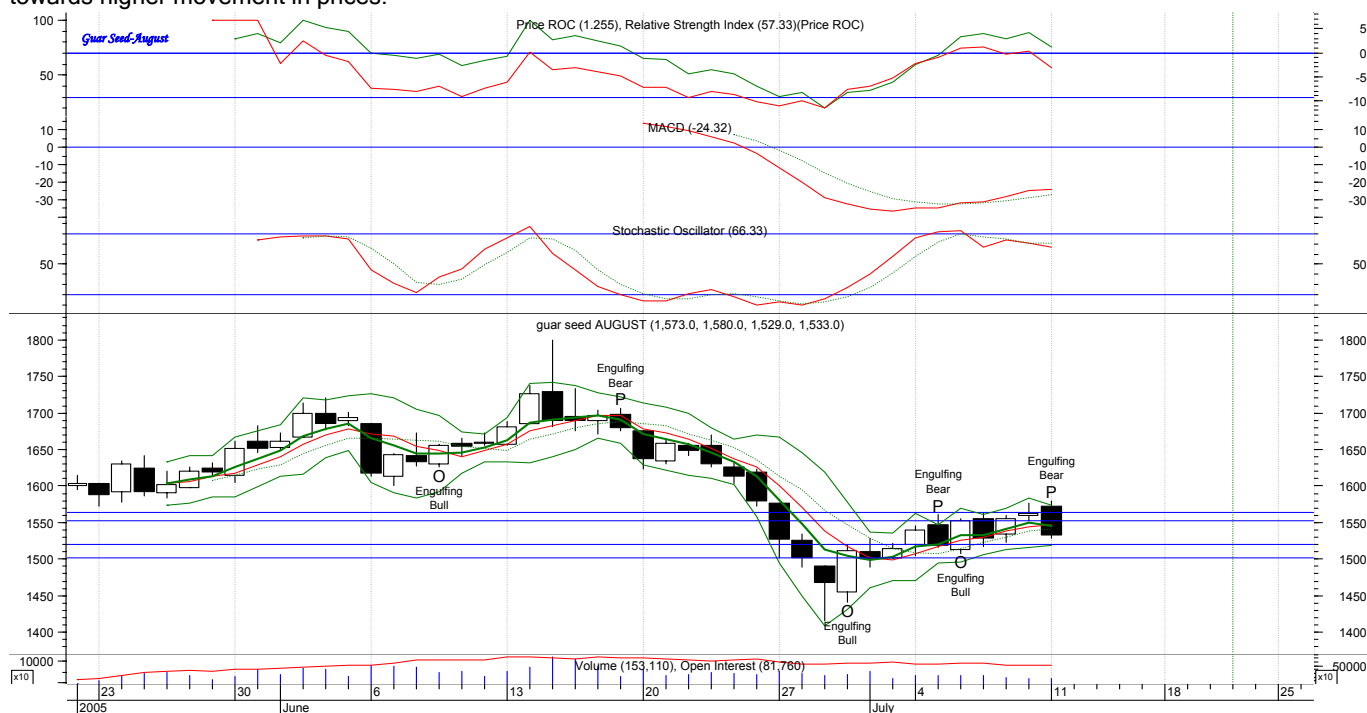
Guar seed future traded range bound and settled much lower. It is expected to open steady and trade range bound next day.

Market outlook:

- Guar seed prices are expected to open weaker, move marginally downward initially but trade range bound upward thereafter on Tuesday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1509	1489	1534	1546
August	1521	1502	1552	1564
Sept.	1537	1513	1565	1584



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 Tuesday.

Stochastic:

The stochastic is moving downward, %K line is lying below %D line, expecting marginal weakness in the market prices next day.

MACD:

The MACD (5-day), is moving upward and lying above its EMA, expecting further strength in prices.

Alignment pattern:

The alignment pattern of moving averages is hinting for higher prices on next day.

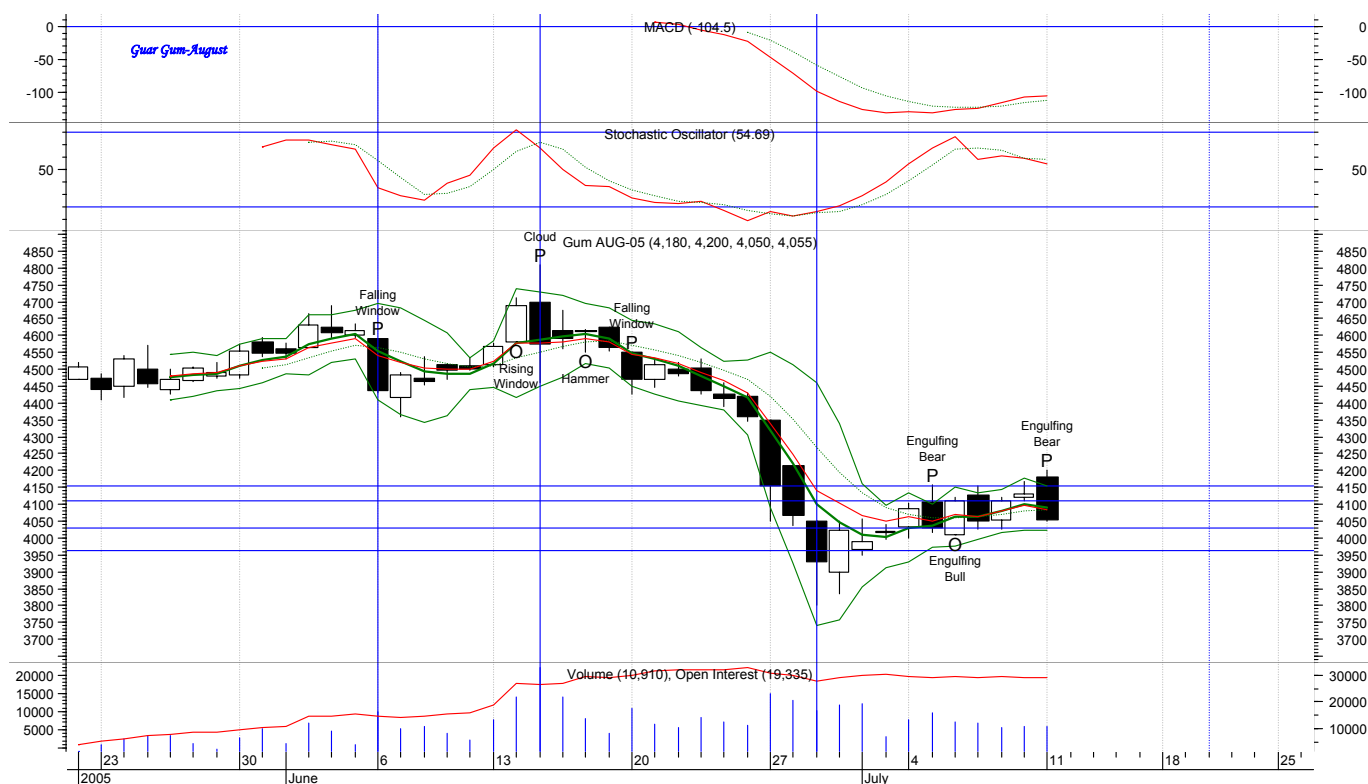
Guar gum traded opened firm and settled lower at the end. Guar gum is expected to open steady and trade in range bound next day.

Market outlook:

- Guar gum is expected to open weaker and move marginally downward initially and recover towards higher side thereafter with range bound movements on Tuesday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	3958	3900	4042	4075
August	4029	3964	4109	4155
Sept.	4116	4049	4196	4230



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX today opened firm, started moving upward but after that, it witnessed steep downward trade and finished much lower at the end. Guar seed in physical markets also followed the same and after initial upward moves, they fell down. In Jodhpur market, Bikaner line 98% whitish guar seed slipped after vayda and was available at Rs.1560 per quintal during evening hours. Guar seed in Bikaner market also slipped and was sold at Rs.1460 per quintal. Other markets traded steady to marginal downward today. Nokha market witnessed the arrivals of around 200 bags today.

Guar gum futures at NCDEX witnessed initial upward move but traded steeply downward thereafter and settled much lower. Following futures, cash markets also slipped and guar gum was sold at Rs.4000 per quintal in Jodhpur market today. Among by-products of guar gum processing, guar Churi was available at Rs.450 per quintal where as guar Korma was quoted at Rs.485 per quintal.

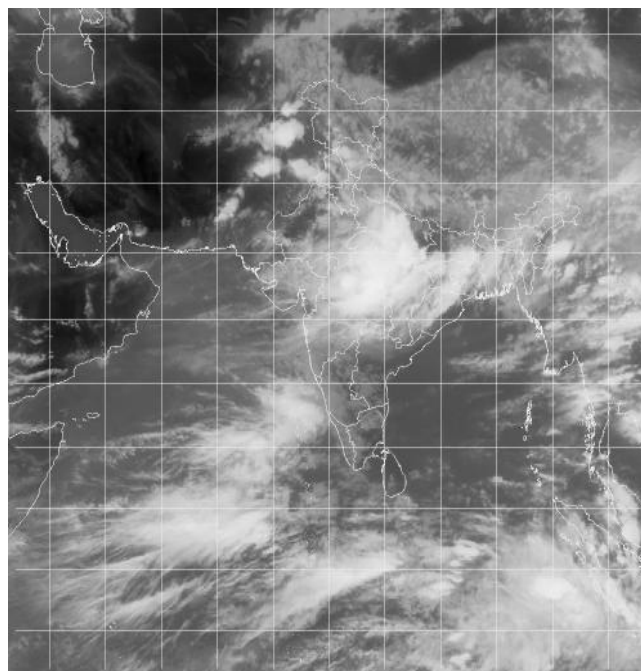
Guar prices in physical markets, though following the futures and seem to come down, but in reality the guar seed is not arriving at these prices and these are merely prices being asked by the buyers but not getting any supply. Now, as per IMD and NCMRWF reports, rainfall activity is likely to decrease in Rajasthan during next 2-3 days, prices may witness a hindrance in further downfall and may recover after initial downfall tomorrow morning.

Salient points of the day

- Guar seed as well as guar gum opened firm and traded steep downward today.
- Cloudy to rainy weather in the most of the regions of Rajasthan which catalysed the downward moves in the market prices.
- Prices are expected to move further downward next day.

Commodity Centres	09.07.05	11.07.05	Change
Guar seed: Bikaner	1510	1480	-30
Jodhpur-B line	1600	1560	-40
Jodhpur-M line	1575	1540	-35
Nokha	1400	1400	0
Alwar	1310	1310	0
Khairthal	1310	1310	0
Ganganagar	1460	1435	-25
Guar Gum:	4100	4000	-100

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



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
July	303.5	304.5	300	-3.8
Sep.	306.2	307.1	300.9	-5.3

Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm and after initial higher steps, it traded downwards throughout the day and settled much lower. July contract opened at 304.5 and closed at 300, down by Rs.19 Per quintal. Similarly, September contract today opened firm at 307.1 and closed at 300.9, down by Rs.26.5 Per quintal from previous close.

WEATHER WATCH

Current Weather Situation (11-07-05)

PROGRESS OF MONSOON;

Yesterday's upper air cyclonic circulation over Jharkhand and adjoining Orissa now lies over east Uttar Pradesh and adjoining north Madhya Pradesh and extends upto 4.5 km above sea level tilting southwestwards with height. The other upper air cyclonic circulation over central Pakistan and adjoining northwest Rajasthan now lies over Punjab & adjoining Himachal Pradesh persists and extends upto 2.1

km above sea level. The axis of the monsoon trough at sea level passes through Ganganagar, Agra, Allahabad, Daltonganj, Balasore and thence southeastwards to east-central Bay of Bengal. Southwest monsoon has been vigorous over Uttaranchal and active over Arunachal Pradesh, Sub-Himalayan West Bengal & Sikkim, West Uttar Pradesh, Himachal Pradesh and East Rajasthan. Rain/thundershower occurred at most places over Coastal Karnataka, Kerala & Lakshadweep; at many places over Assam & Meghalaya, Nagaland, Mizoram, Manipur & Tripura, Chhattisgarh, Madhya Pradesh, east Uttar Pradesh and Vidarbha; at a few places over Andaman & Nicobar Islands, Gangetic West Bengal, Orissa, Bihar, Haryana, Chandigarh & Delhi, Punjab, Jammu & Kashmir, Konkan & Goa, Madhya Maharashtra, Marathwada, Andhra Pradesh and South Interior Karnataka. It was isolated over rest regions of the country outside West Rajasthan, Saurashtra, Kutch & Diu where weather was mainly dry.

Forecast for Next 24 Hours

Rain/thundershowers are likely at most places over Uttaranchal and at many places over Northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar, Jharkhand, Chhattisgarh, Madhya Pradesh, West Uttar Pradesh, Haryana, Chandigarh & Delhi, Himachal Pradesh, Maharashtra & Goa, Coastal Karnataka, Kerala and Lakshadweep ;at a few places over rest regions of the country outside West Rajasthan, Saurashtra & Kutch, Coastal Andhra Pradesh, Rayalaseema and Tamil Nadu & Pondicherry where it may be isolated. Rainfall activity likely to increase over East Uttar Pradesh, Bihar, Northeastern States, Sub-Himalayan West Bengal & Sikkim on 13th & 14th July.

Outlook for subsequent two days :

Enhanced rainfall activity likely over northeastern States, Sub-Himalayan West Bengal & Sikkim, Bihar, Uttar Pradesh and Western Himalayan Region. Ongoing rainfall activity likely to continue along the west coast. It may decrease over East Central India and plains of northwest India.

Heavy Rainfall Warning

Heavy to Very Heavy rainfall likely at a few places over Northeastern States, Sub-Himalayan West Bengal & Sikkim, Uttaranchal and Himachal Pradesh. Isolated heavy rainfall also likely over West Uttar Pradesh, Coastal Karnataka and Kerala.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.56
European Union	Euro	52.35
United Kingdom	GBP	75.92
Japan	100 Yen	38.91

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