

GUAR SEED and GUAR GUM

July 09, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda witnessed range bound marginally higher trade

TECHNICAL ANALYSIS

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

Candlestick:

Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Monday.

Stochastic:

The stochastic has changed its curvature, %K has started moving downward, lying below %D line and lying in neutral region, expecting marginal weakness in the prices tomorrow.

MACD:

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

Alignment pattern:

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

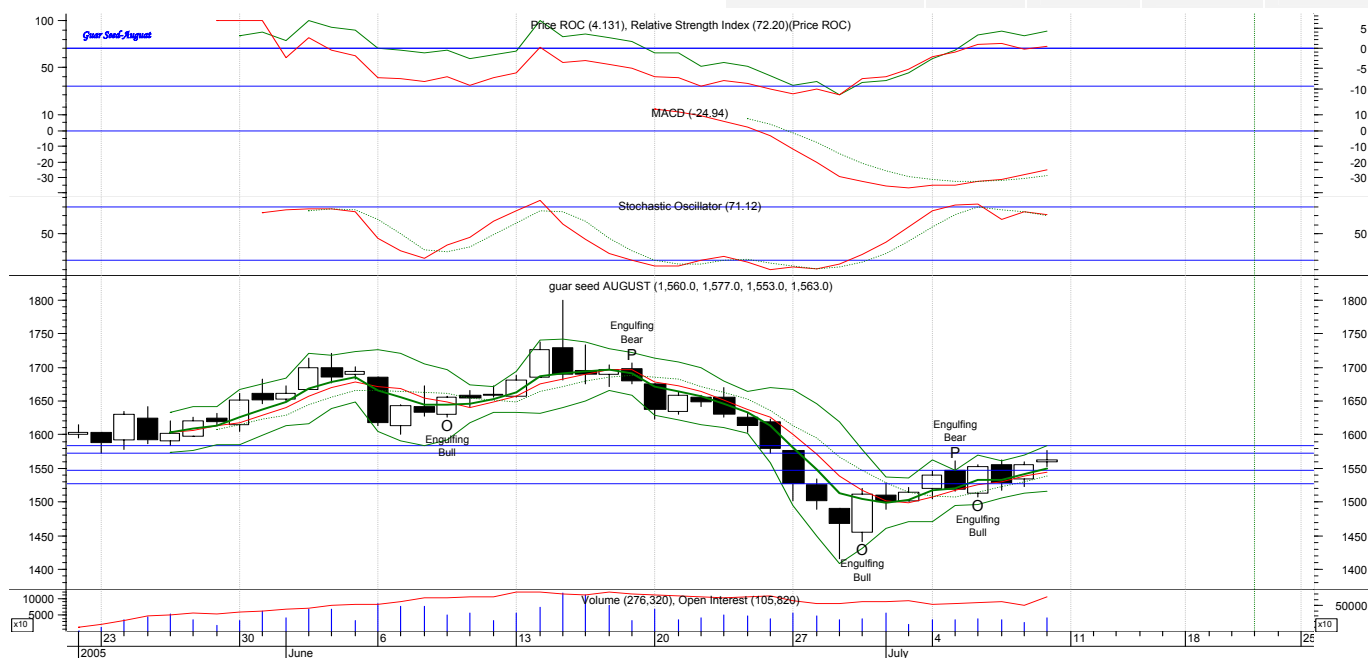
Guar seed future traded range bound and settled marginally up. It is expected to open steady and trade range bound downward next day.

Market outlook:

- Guar seed prices are expected to open firm/steady and witness range bound trade, may go marginally higher initially but expected to come down. It is expected to take downward correction so watchfulness regarding market movement is must for next day. Even though the prices may go slightly higher initially but most probably they will come down on the same day or at most on Tuesday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	1531	1515	1551	1560
August	1547	1527	1572	1584
Sept.	1566	1551	1592	1602



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

Candlestick:

Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Monday.

Stochastic:

The stochastic is has again changed its curvature, %K line is lying below %D line, expecting marginally weaker prices next day.

MACD:

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

Alignment pattern:

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

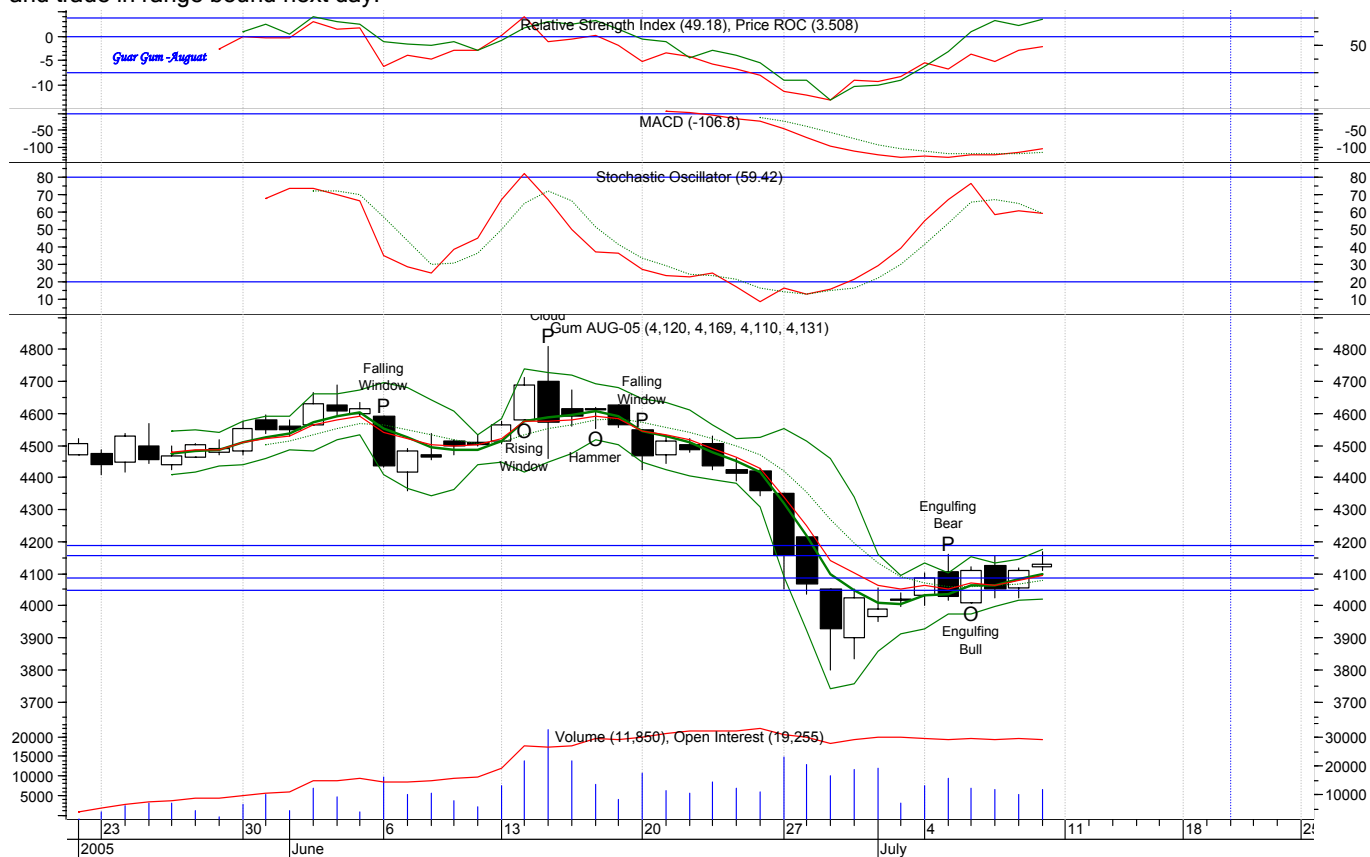
Guar gum July contract traded range bound and settled marginally higher. Guar gum is expected to open steady and trade in range bound next day.

Market outlook:

- Guar gum is expected to open firm and move range bound downward on Monday. Now prices are expected to take technical correction toward downward side so it is advisable to have a constant vigil on prices and take the steeps accordingly.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
July	4032	3996	4084	4106
August	4088	4050	4155	4186
Sept.	4165	4126	4238	4272



MARKET COMMENTARY OF MAJOR MARKETS

After a firm opening and initial firm steps today morning, guar seed futures at NCDEX witnessed range bound during whole day. Amid almost clear weather in western parts of Rajasthan and improving futures, guar seed in physical markets also traded marginally higher. In Jodhpur market, Bikaner line 98% whitish guar seed moved marginally higher and was available at Rs.1600 per quintal during evening hours. In Bikaner market, guar seed took marginally firm steps and was sold at Rs.1510 per quintal. Other markets also witnessed marginally higher ground today as compared to previous day prices.

Guar gum futures at NCDEX opened firm and traded range bound during whole day and finally closed marginally firm. In Jodhpur, guar gum was available at Rs.4100-25 per quintal during evening hours.

Guar markets are witnessing supply shortage of guar seed now days as farmers are not ready to bring it to the markets at these lower prices. They are expecting higher prices in future and as the guar seed has very long shelf life (i.e., it can be stored for many years without diminishing the quality of produce), they are not in a hurry to bring it to the markets. Guar gum exporters are bringing their demand and gum is facing the buying support.

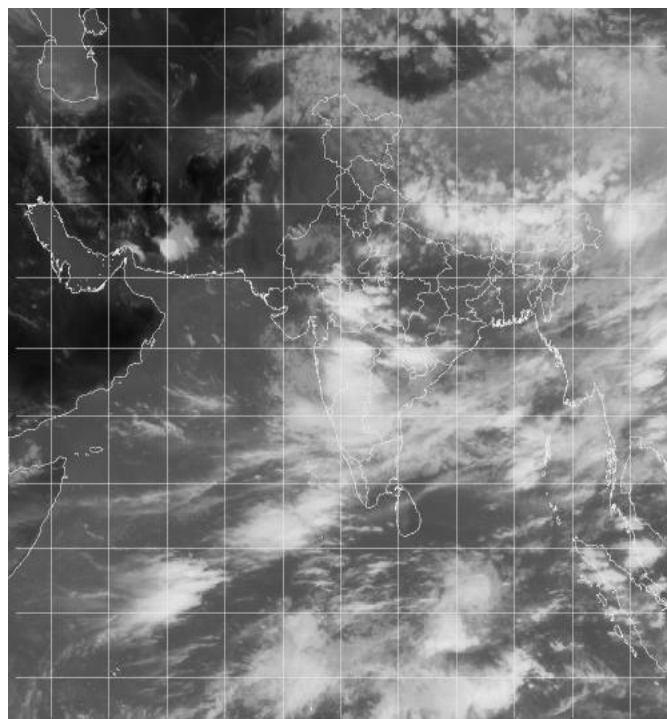
Guar prices are witnessing a transition phase and are expected to move downward very soon in next week hence watchfulness regarding market prices is must. Prices may move steeply downward during next week most probably from Monday or Tuesday only.

Salient points of the day

- Guar seed as well as guar gum traded range bound and settled marginally higher.
- Almost clear weather in the most of the regions of Rajasthan which supported the firm moves in the markets.
- Poor arrival of guar seed in cash markets at these lower prices.
- Prices are expected to move downward next day.

Commodity Centres	08.07.05	09.07.05	Change
Guar seed: Bikaner	1500	1510	+10
Jodhpur-B line	1580	1600	+20
Jodhpur-M line	1550	1575	+25
Nokha	1400	1400	0
Alwar	1310	1310	0
Khairthal	1310	1310	0
Ganganagar	1450-55	1460	+5
Guar Gum:	4075	4100-25	+50

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
Sep.	306.4	309	306.2	-0.2

Price movements at Bikaner Vayda

Bikaner guar vayda today opened firm and after initial strong moves, it traded range bound throughout the day and settled marginally higher. September contract today opened firm at 309 and closed at 306.2, almost similar to previous close.

WEATHER WATCH

Current Weather Situation (09-07-05)

PROGRESS OF MONSOON;

The upper air cyclonic circulation over northwest Rajasthan & neighbourhood now lies over central Pakistan and adjoining northwest Rajasthan and extends upto 4.5 km above sea level.

The upper air cyclonic circulation over northwest and adjoining west central Bay of Bengal off Orissa-Andhra Pradesh coast now lies over north Orissa and adjoining

Jharkhand extending upto 5.8 km above sea level tilting southwestwards with height.

The axis of the monsoon trough at sea level passes through Ganganagar, Hissar, Gwalior, Rewa, Ambikapur, Bhubaneswar and thence southeastwards to eastcentral Bay of Bengal.

Southwest monsoon has been vigorous over Coastal Andhra Pradesh & Telangana and active over Arunachal Pradesh and West Madhya Pradesh. Rain/thundershower occurred at most places over Sub-Himalayan West Bengal & Sikkim, Orissa and Kerala; at many places over Coastal Karnataka; and at a few places over Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Mizoram, Manipur & Tripura, Gangetic West Bengal, Chhattisgarh, East Madhya Pradesh, Rajasthan and Rayalaseema. It was isolated over rest regions of the country outside Bihar, Jharkhand, Haryana, Chandigarh & Delhi, Gujarat region, Saurashtra & Kutch and Lakshadweep where weather was mainly dry.

Forecast for Next 24 Hours

North: Rain/thundershowers likely at a few places over east Uttar Pradesh, Uttaranchal, Himachal Pradesh and Jammu & Kashmir and isolated in the rest region.

East: Rain/thundershowers likely at many places over northeastern states, Sub-Himalayan West Bengal & Sikkim, Orissa and Chhattisgarh at a few places in the rest region. Increase in rainfall activity over Bihar and northeastern states on 11th and 12th July.

South: Rain/thundershowers likely at many places over coastal & north interior Karnataka, coastal Andhra Pradesh, Telangana and Kerala and at a few places in the rest region outside Tamil Nadu & Pondicherry where it may be

isolated.

West: Rain/thundershowers likely at many places over Konkan & Goa and Vidarbha and at a few places over the region outside Gujarat state and Rajasthan where it may be isolated..

Outlook for subsequent two days :

Increase in rainfall activity over Uttar Pradesh, Bihar, northeastern states and along the west coast. Rainfall activities over plains of northwest India likely remain subdued.

Heavy Rainfall Warning

Isolated heavy rainfall likely over northeastern states, north coastal Andhra Pradesh, Telangana, coastal Karnataka and Kerala..

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.61
European Union	Euro	52.22
United Kingdom	GBP	75.79
Japan	100 Yen	38.87

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