

GUAR SEED and GUAR GUM

August 12, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded weaker
- Guar vayda slipped steeply

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: Very Short Term
NCDEX September Contract

Candlestick: Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Saturday.

Stochastic: The stochastic is moving downward; %K line has crossed %D line from above and lying in neutral region, expecting further downward trade.

MACD: The MACD (5-day) is moving upward, though slightly flattened today but still lying above its EMA hinting marginal strength in prices.

Alignment pattern: The alignment pattern of moving averages is not confirming the downward price movement.

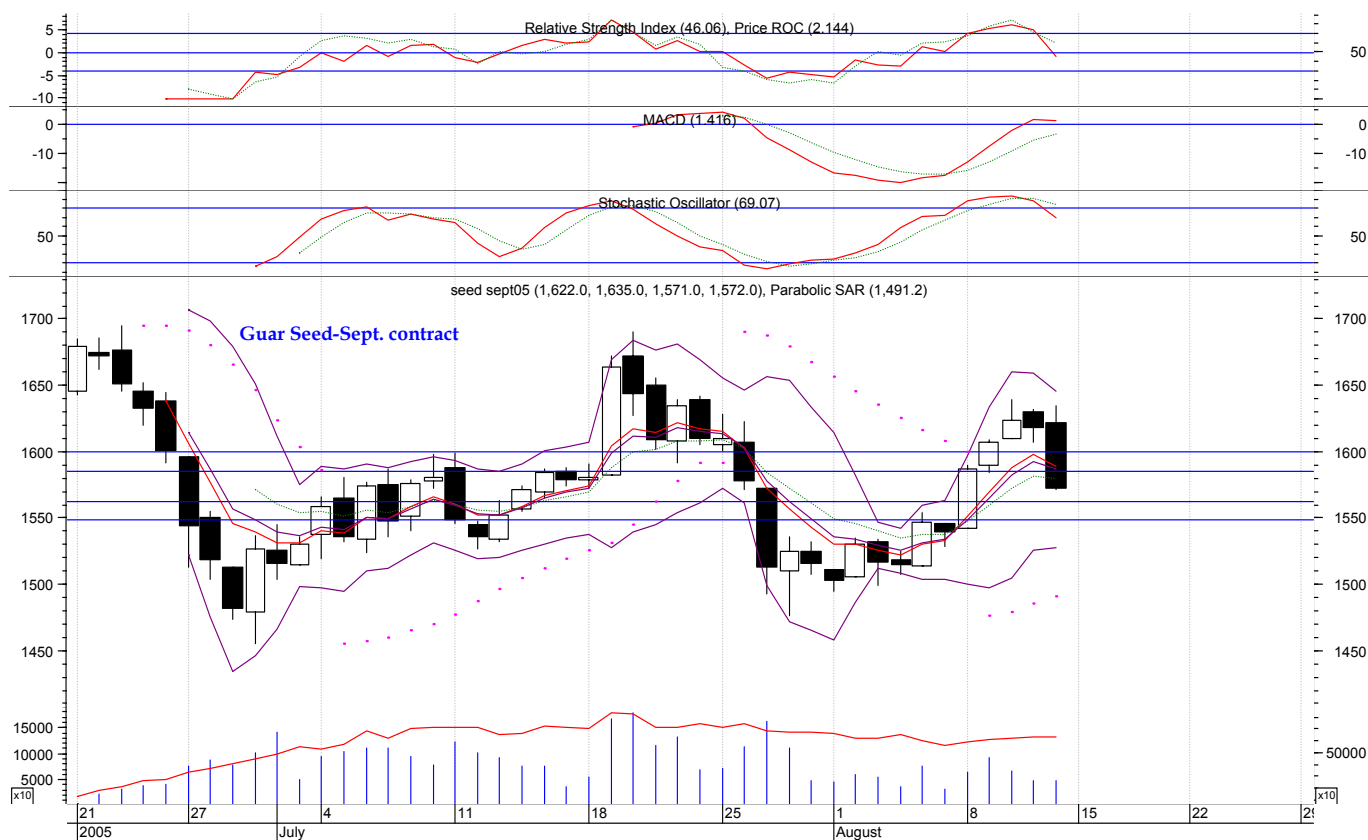
Guar seed future traded speculative downward and settled much lower. It is expected to open weaker and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open weaker and trade range bound weaker initially and marginally upward thereafter on Saturday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1534	1521	1556	1568
Sept.	1563	1549	1585	1600
Oct.	1582	1569	1607	1623



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

Candlestick: Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Saturday.

Stochastic: The stochastic has come down from overbought region and %K line has crossed %D line from above expecting further downward movement.

MACD: The MACD (5-day), is moving upward in negative zone, slightly flattened now but still lying above its EMA and indicating the firmness.

Alignment pattern: The alignment pattern of moving average is not confirming the downward price movement.

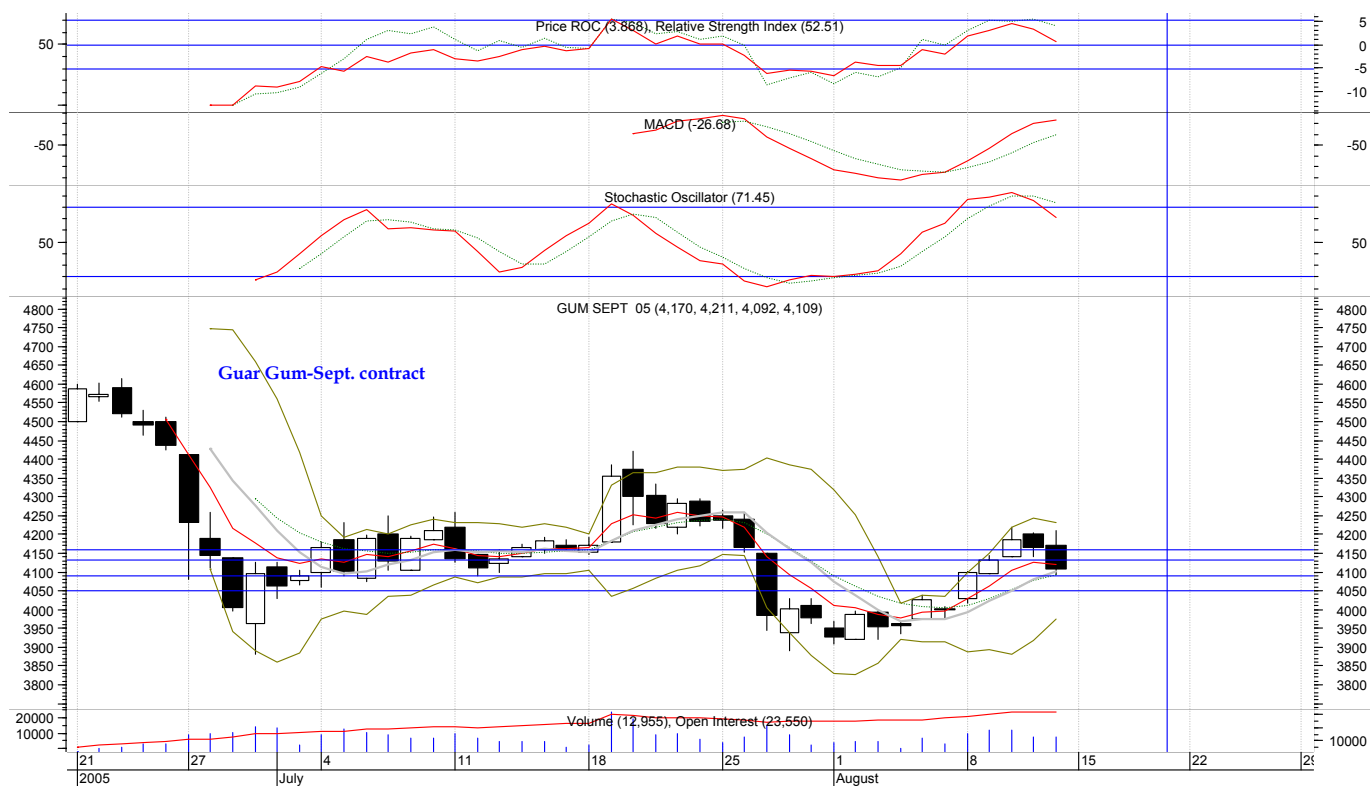
Guar gum traded steeply downward and settled lower. It is expected to open weaker and trade marginally upward tomorrow.

Market outlook:

- Guar gum is expected to open weaker and trade range bound weaker initially and marginally upward thereafter on Saturday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	3976	3936	4023	4048
Sept.	4089	4051	4133	4158
Oct.	4181	4149	4226	4246



MARKET COMMENTARY OF MAJOR MARKETS

Steep downward trade was witnessed in guar seed futures at NCDEX that fell drastically amid speculative selling. It was setback for the traders who were expecting further upward shift amid clear weather in western India. Guar seed in cash markets could not remain untouched and witnessed downfall in the prices. Bikaner line 98% whitish guar seed slipped to Rs.1580-1600 per quintal from previous day's price of Rs.1610-1635 per quintal. Bikaner market faced second consecutive day of downfall and guar seed was sold at Rs.1510 per quintal today. Other markets slipped marginally in terms of guar prices.

Bears in guar gum futures dominated today and its prices at NCDEX witnessed steep downfall at board. In Jodhpur market, guar gum was prices upto Rs.4300 per quintal during last night, fell to Rs.4075 per quintal during evening today.

There was no situation of any rains in guar regions but big speculators anticipated the rain in Haryana and Punjab and few parts of Rajasthan during next few days and they released huge quantity at NCDEX that turned the sentiments bearish and prices fell drastically. According to latest weather forecasts, there are chances of formation of a cyclonic circulation over head Bay of Bengal around 14th August. Under the scenario, the rainfall activity over many parts of central India viz., Orissa, Jharkhand, east Madhya Pradesh and Chattisgrah may increase after 14th August, 2005. However, revival of monsoon is not likely to fulfill the expectation of western parts of Rajasthan. Though there are chances of slight increase in rainfall of north and north-west India viz., J&K, HP, Uttaranchal, parts of Haryana and Punjab and Western UP after 14th August but we have to see that how much it is going to quench the thirst of Guar areas and that is the only factor to decide the movement of guar prices in long term.

Commodity	Centres	11.08.05	12.08.05	Change
Guar Seed	Bikaner	1535	1510	
	Ganganagar	1510	1480-90	
	Jodhpur-B line	1610	1590	
	Jodhpur-M line	1580	1565	
	Nokha	1425	1400	
	Alwar	1370	1350	
	Khairthal	1370	1350	
Guar Gum:		4100-25	4075	

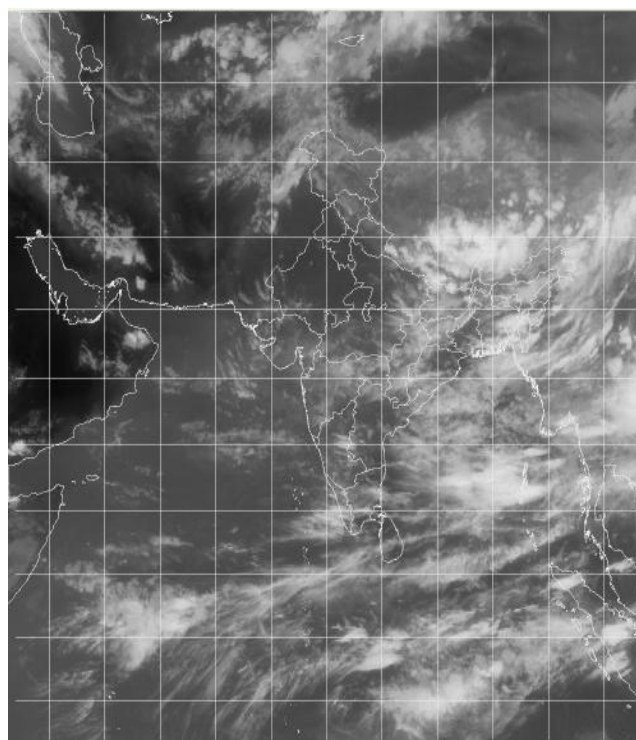
Salient points of the day

- Partly cloudy weather in Uttar Pradesh where as clear weather in Rajasthan and Haryana and Punjab.

Scattered light clouds appeared at some places in Rajasthan.

- Rainfall activity in Rajasthan may remain subdued for next 2-3 days.
- The rainfall activity over plains of North-west India viz., Punjab, Haryana and west Uttar Pradesh may remain quiet during next 2 days and may increase slightly thereafter. (IMD)
- Guar seed as well as guar gum fell steeply.
- Prices are expected to witness marginal downward trade initially tomorrow.

Satellite Image Showing Latest Cloud Cover (IMD-6:30PM)



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	311.7	309.5	305.3	-6.4

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened weaker at 309.5, traded steep downward throughout the day and closed weaker at 305.3, down by Rs.32 per quintal from previous close.

WEATHER WATCH (12-08-05)

PROGRESS OF MONSOON;

Rainfall activity continued to remain subdued over most parts of the country during past 24-hours. Yesterday's upper air cyclonic circulation over northeastern States persists extending upto 2.1 km a.s.l. The upper air cyclonic circulation between 4.5 & 5.8 km a.s.l. over northwest Bay of Bengal off Orissa-West Bengal coast persists. The axis of the monsoon trough at sea level continues to lie close to the foothills of Himalayas. Under this scenario, fairly widespread rainfall with isolated heavy falls likely over northeastern states, sub-Himalayan West Bengal & Sikkim and Bihar during next 2-3 days. Rainfall activity is likely to remain subdued over most parts of the remaining country for next 48-hours. Rain/ thundershowers occurred at most places over Coastal Karnataka; at many places over Sub-Himalayan West Bengal & Sikkim, Konkan & Goa and Kerala and at a few places over Arunachal Pradesh, Bihar, Gujarat region, interior Karnataka and Lakshadweep. It was isolated over the rest regions of the country outside Uttar Pradesh, Jammu & Kashmir and Madhya Pradesh where weather was mainly dry.

Zone Wise Rainfall Forecast

North & North-West India:

Isolated rainfall activity is likely over the region during next 2 days. Rainfall activity over the region may increase slightly after 14th August, 2005.

East and NE India:

West Bengal & Sikkim, NE states and Bihar are likely to receive fairly widespread to widespread rains with isolated heavy falls during next 2 days. Remaining parts of east India are likely to receive scattered rains during this period.

The rainfall activity over Orissa and Jharkhand is likely to increase after 14th August, 2005.

Central India:

Chattisgarh, Madhya Pradesh and Vidarbha are likely to receive isolated to scattered rains during next 2-3 days. Subsequently, rainfall activity is likely to increase especially over Chattisgarh and east MP.

South India:

Coastal Karnataka, coastal Andhra Pradesh and Kerala are likely to receive isolated to scattered rainfall activity during next 2-3 days. Rest areas of the region are likely to receive isolated rains during this period.

West India:

Konkan & Goa and Madhya Maharashtra may receive scattered to fairly widespread rains during next 2-3 days. Rest areas of the region are likely to receive isolated to scattered rains during this period.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.60
European Union	Euro	54.33
United Kingdom	GBP	78.98
Japan	100 Yen	39.71

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