

GUAR SEED and GUAR GUM

August 08, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded upward
- Guar vayda jumped higher

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

Perspective: Very Short Term
NCDEX September Contract

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

Stochastic: The stochastic is moving upward; %K line is lying above the %D line and has reached to overbought region, indicating towards possibility of technical correction towards lower side.

MACD: The MACD (5-day) is moving upward, nad has crossed its EMA from below, hinting further strength in prices.

Alignment pattern: The alignment pattern of moving averages is now confirming the higher movement in the prices.

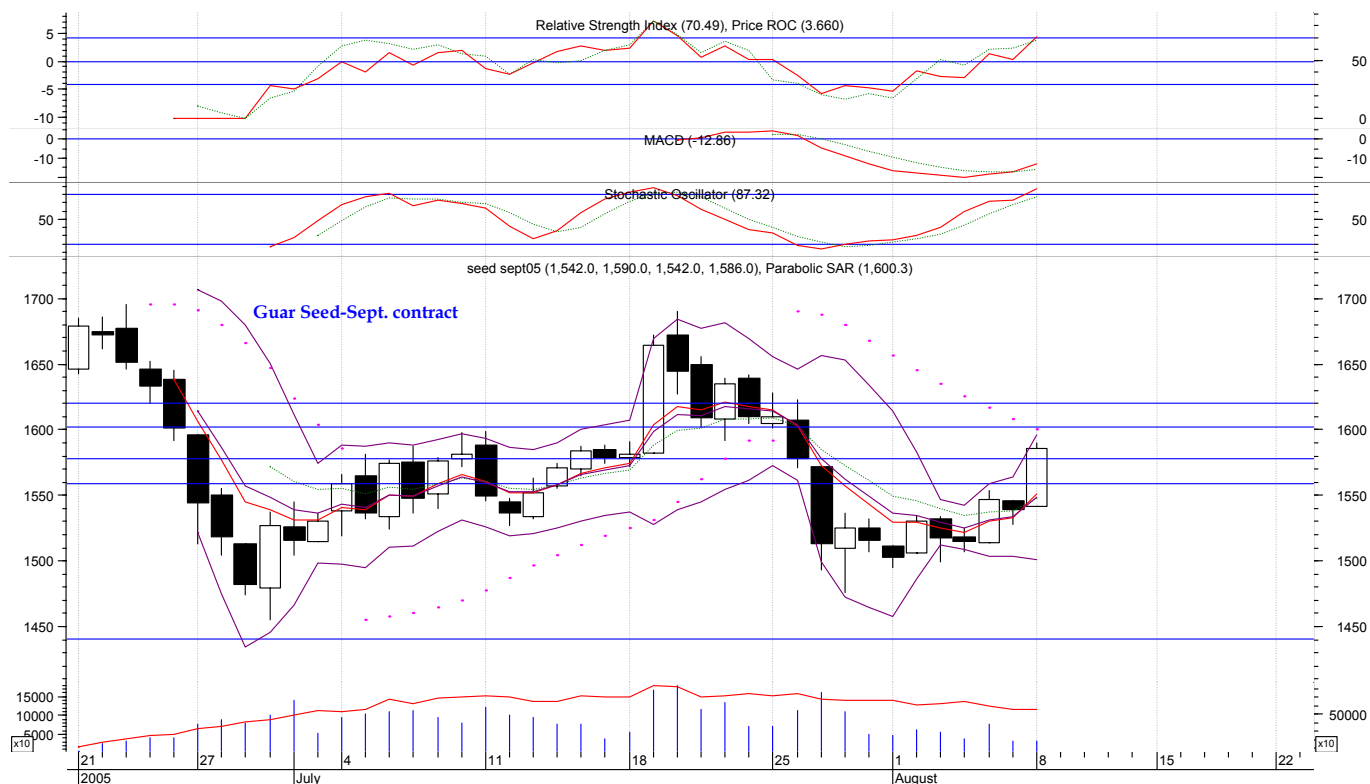
Guar seed future traded upward and finished higher. It is expected to open firm and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open firm and trade range bound initially and marginally upward thereafter and may come down in the afternoon on Tuesday.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1551	1533	1572	1583
Sept.	1578	1559	1602	1620
Oct.	1599	1579	1623	1635



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

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

Stochastic: The stochastic has reached in overbought region, %K is lying above %D line and moving up, indicating that technical correction may take place at any time.

MACD: The MACD (5-day), is moving upward in negative zone and now has crossed its EMA from below, hinting the firmness in the market.

Alignment pattern: The alignment pattern of moving average is confirming the higher price movement.

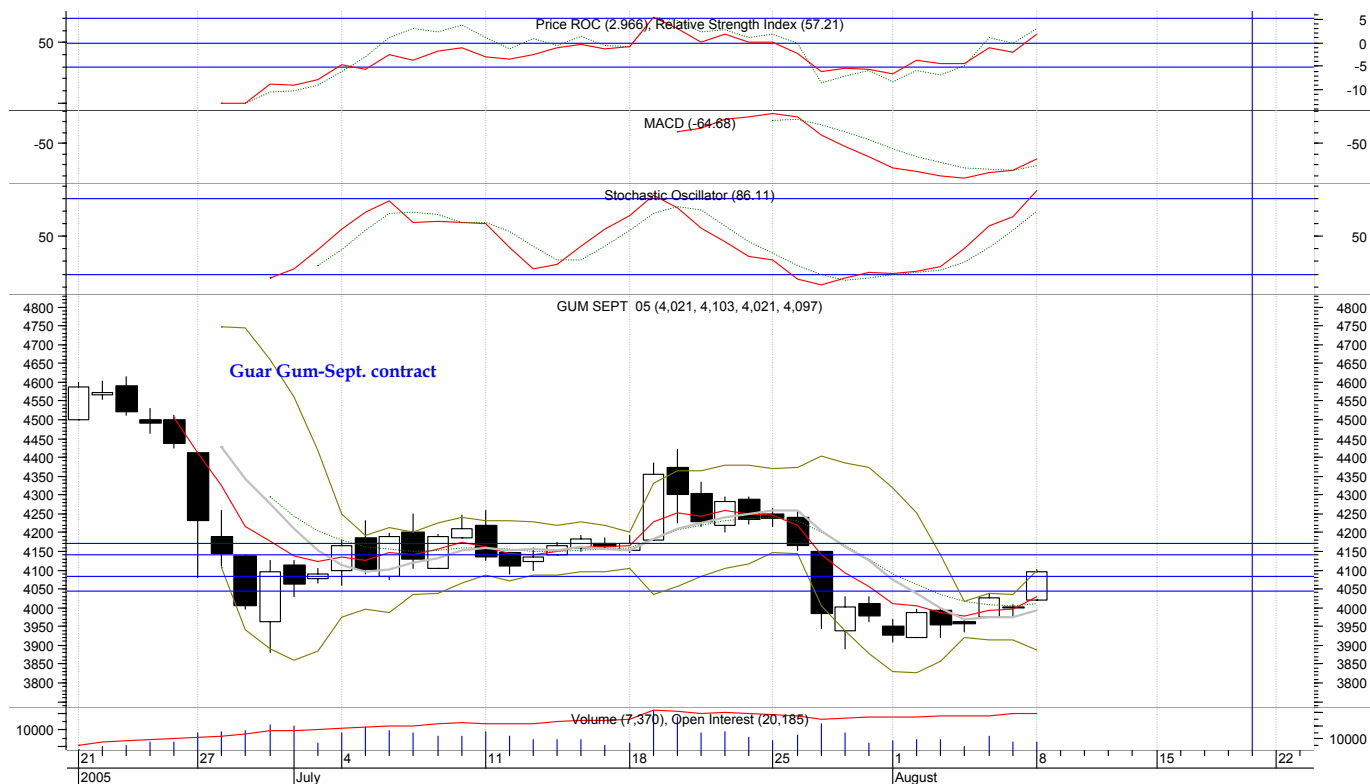
Guar gum ended the day at much higher level today. It is expected to open firm and trade upward initially and downward later on tomorrow.

Market outlook:

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

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	3990	3950	4032	4062
Sept.	4084	4044	4140	4170
Oct.	4164	4125	4228	4256



MARKET COMMENTARY OF MAJOR MARKETS

It was clear weather in almost whole Rajasthan and Haryana that helped the bulls to play their game today and guar seed futures at NCDEX traded upward and closed at higher ground. Cash markets followed the same and physical markets also moved up. Bikaner line 98% whitish guar seed witnessed higher ground and was asked at Rs.1600 per quintal in Jodhpur market. Bikaner market also improved to Rs.1515 per quintal today from last day price of Rs.1470 per quintal. Other markets witnessed firm ground today.

Guar seed futures at NCDEX showed speculative upward trade and cash markets followed the track. Guar gum in cash market today witnessed the price of Rds.4075 per quintal during evening today.

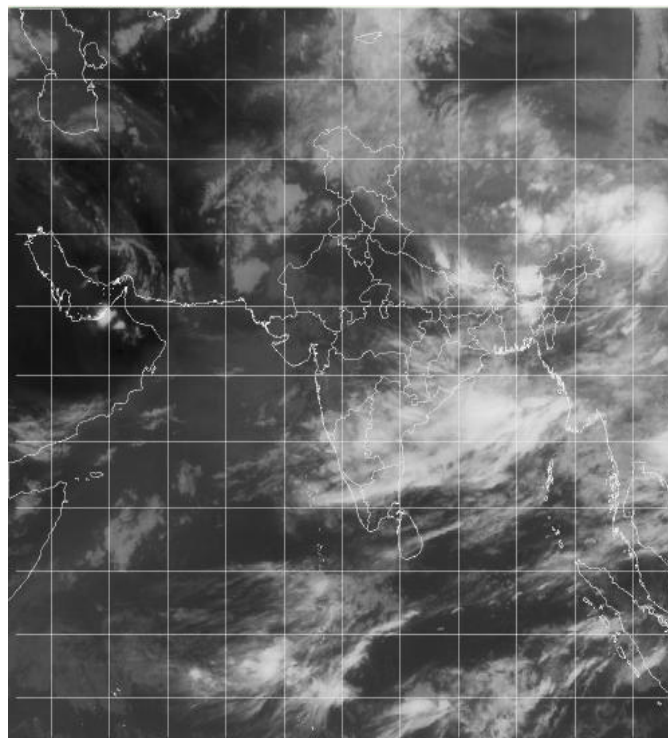
As per our previous expectations that, dry weather will lead the prices to move up and exactly it was that what happened today. According to latest weather forecasts, there is slight change in the direction of monsoon trough which is now moving towards north-northeastward, which will lead to decrease in the rainfall activity in western plains where as it will increase in north-eastern states during coming days. These conditions supported the bulls and the showed their strength. Now the prices are expected to move slightly more but the steep movement is not yet expected unless there are chances of no rains during next 7-10 day which is very crucial guar sowing.

Commodity	Centres	06.08.05	06.08.05	Change
Guar Seed	Bikaner	1470	1515	+10
	Ganganagar	1425-35	1470	+5
	Jodhpur-B line	1550-75	1600	+5
	Jodhpur-M line	1525-40	1560	+20
	Nokha	1380	1410	+30
	Alwar	1325	1535	+10
	Khairthal	1325	1345	+20
Guar Gum:		3950-75	4050-75	+100

Salient points of the day

- Clear weather in Rajasthan and Haryana.
- The trough in mid-latitude westerlies has moved north-north-eastwards as expected. Hence, rainfall activity is likely to decrease from plains of Punjab, Haryana and West Uttar Pradesh. during next 2-3 days. (IMD)
- Guar seed as well as guar gum witnessed upward trade during whole day which finished higher at the end.
- Prices are expected to witness marginal upward trade with range bound movements initially on Tuesday.

Satellite Image Showing Latest Cloud Cover (IMD-8:30PM)



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	297.8	300.5	305	+7.2

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm and traded upward but circuit closed at 305.

WEATHER WATCH (08-08-05)

PROGRESS OF MONSOON;

Yesterday's upper air cyclonic circulation over Bangladesh and adjoining northeastern States persists upto 0.9 km above sea level with a trough aloft extending upto 3.1 km above sea level. A fresh upper air cyclonic circulation lies between 3.6 & 7.6 km above sea level over northwest Bay of Bengal off Orissa-West Bengal coast. The western end of the monsoon trough at sea level runs close to foothills of Himalayas, while its eastern end passes through Darbhanga, Malda, and thence eastwards to Silchar and Imphal. Under this scenario, rainfall activity with isolated heavy falls likely to continue over northeastern States and West Bengal & Sikkim during next 2-3 days. The off-shore trough now runs off Konkan-south Karnataka coast.

Southwest monsoon has been vigorous over Sub-Himalayan West Bengal & Sikkim and active over Arunachal Pradesh, Assam & Meghalaya and Bihar. Rain/thundershowers occurred at most places over Konkan & Goa and Coastal Karnataka; at many places over Gangetic west Bengal, Madhya Maharashtra and Coastal Andhra Pradesh and at a few places over Nagaland, Manipur, Mizoram & Tripura, Jharkhand, East Uttar Pradesh, Uttaranchal, Punjab, Himachal Pradesh, Jammu & Kashmir, Marathawada, Telangana, Interior Karnataka, Kerala and Lakshadweep. It was isolated over the rest regions of the country outside West Rajasthan, Saurashtra & Kutch where weather was mainly dry.

Forecast for next three days

Rain/thundershowers are likely at many places over northeastern States, West Bengal & Sikkim, Orissa, Uttaranchal, Himachal Pradesh, Jammu & Kashmir and Coastal Andhra Pradesh and at a few places over the rest regions of the country outside Madhya Pradesh, Uttar

Pradesh, Haryana, Chandigarh & Delhi, Punjab, Rajasthan, Gujarat State, Marathawada, Vidarbha and Tamil Nadu & Pondicherry where it may be isolated. Rainfall activity likely to increase over East Madhya Pradesh, Chhattisgarh, Vidarbha and Telangana from 13th.

Heavy Rainfall Warning

Isolated heavy rainfall likely over northeastern States, West Bengal & Sikkim and coastal Orissa.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
European Union	Euro	53.70
United Kingdom	GBP	77.29
Japan	100 Yen	38.75

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