

GUAR SEED and GUAR GUM

August 23, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum moved further
- Guar vayda witnessed range bound upward trade

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 Wednesday.

Stochastic: The stochastic is moving in overbought region; %K line crossed %D line from above, indicating towards downward technical correction tomorrow.

MACD: The MACD (5-day) is still moving upward in positive zone, lying above its EMA and hinting towards higher moves.

Alignment pattern: The alignment pattern of moving averages is indicating the upward market tomorrow.

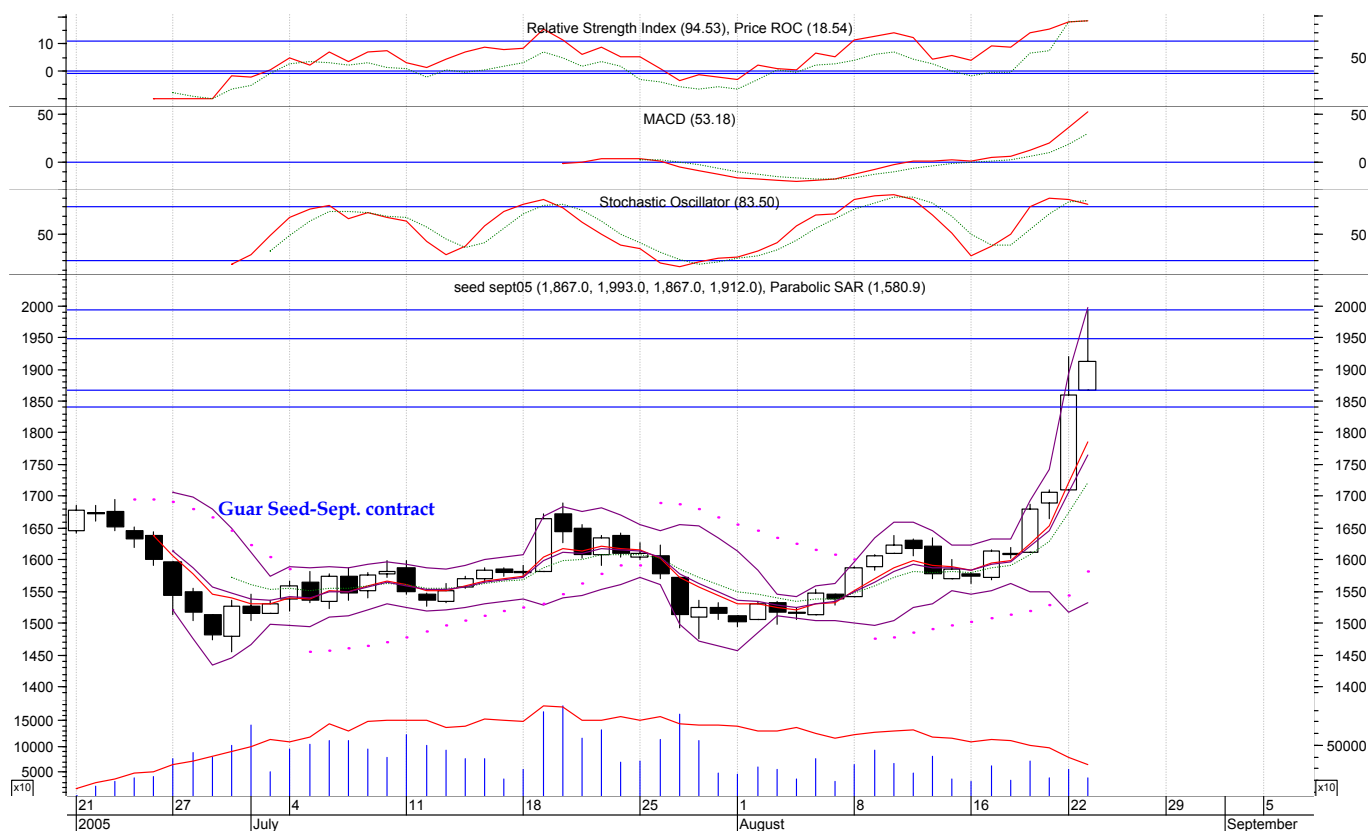
Guar seed future traded upward and ended higher. It is expected to open firm and trade range bound downward next day.

Market outlook:

- Guar seed prices are expected to open firm and trade range bound marginally downward after initial upward moves on Wednesday. Fundamentals are still bullish and prices will go up again within this week.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1867	1840	1949	1993
Oct.	1919	1887	2011	2048



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

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

Stochastic: The stochastic is turning down in overbought zone, %K line has crossed the %D line from above and expecting the downward technical correction tomorrow.

MACD: The MACD (5-day), is steeply moving upward and lying above its EMA, hinting towards further higher movements.

Alignment pattern: The alignment pattern of moving average is still hinting towards the higher prices.

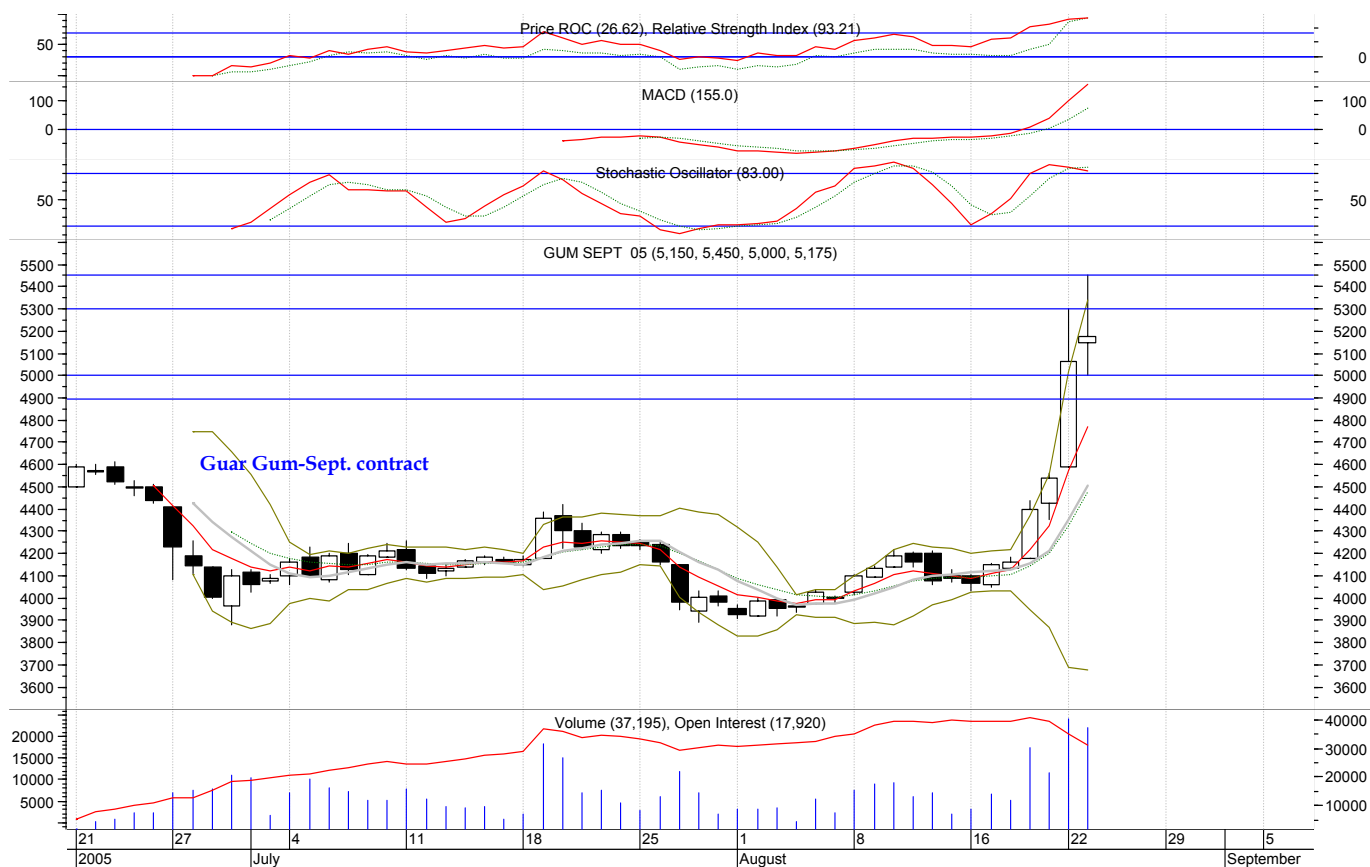
Guar gum traded steeply upward and settled higher. It is expected to open firm and trade range bound downward on Wednesday.

Market outlook:

- Guar gum is expected to open firm and trade upward initially and downward thereafter with range bound movements on Wednesday. Market sentiments are still bullish and prices will go up again within this week.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	5002	4896	5299	5450
Oct.	5114	5001	5420	5599



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures continued the explosions and set new high of the year on second consecutive day. Physical markets, pegged with future prices, also showed their strength. Bikaner line 98% whitish guar seed reached again to a new high of this year and price of guar seed spurted up to Rs.1975 per quintal in Jodhpur market, though in evening hours it was available at Rs.1925-50 per quintal. Bikaner market touched the price of Rs.1875 per quintal. Other markets also felt the heat and guar prices jumped up.

Guar gum at NCDEX witnessed heavy fluctuation again and prices went steeply up amid speculative buying but came down after profit booking was observed later on. Cash markets kept on increasing and guar gum touched Rs.5350 during day but came down to Rs.5125 per quintal during evening.

Stockists as well as profit bookers was mostly active today and guar seed and gum witnessed big fluctuations in futures as well as spot markets. The trading being done these days is purely speculative, controlled by stockists and speculators and short run profit makers. According to various weather forecasts, western Rajasthan will mainly be dry for next 3-4 days, that means, weather sentiments are still same, and this may lead prices go further upward and could touch Rs.2200 per quintal but, before that, they might face a temporary check in their momentum and for next two days, it may slip slightly down but they will move up again thereafter.

Commodity	Centres	22.08.05	23.08.05	Change
Guar Seed	Bikaner	1820-1800	1875	+75
	Ganganagar	1850-1750	1810	+60
	Jodhpur-B line	1900	1950	+50
	Jodhpur-M line	1850	1920	+70
Guar Gum:		5100-5025	5125	+100

Salient points of the day

- Guar seed as well as guar gum continued flying high.
- Activeness of stockists and short term profit makers in various physical and future markets of guar seed and guar gum.
- Clear weather in western Rajasthan.
- Prices are expected to witness range bound upward trade initially tomorrow.
- The monsoon is likely to be in weak phase over NW India for next 2-3 days.

Bikaner Guar Vayda

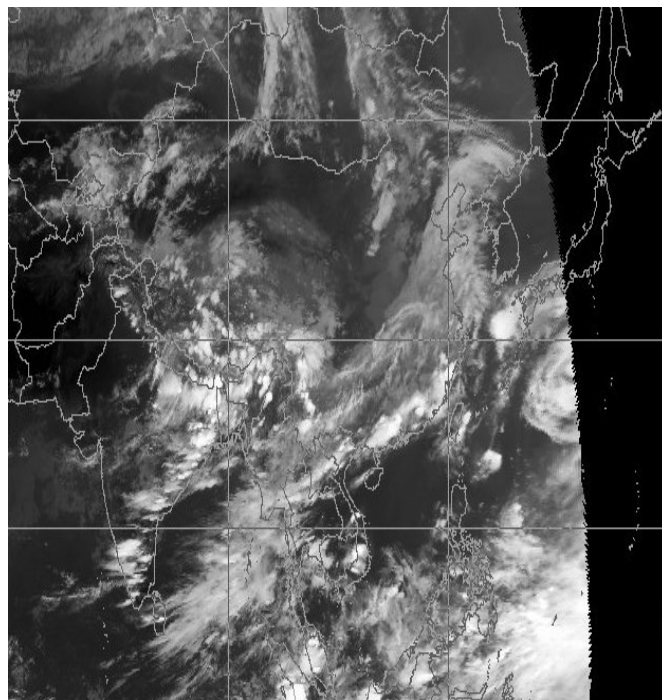
Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	327.7	335.2	-	-

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened so high as it faced circuit immediately and was closed at 335.2.

Satellite Image Showing Latest Cloud Cover (MetOffice, UK-5:30PM)



WEATHER WATCH (23-08-05)

PROGRESS OF MONSOON;

During the past 24 hours, fairly widespread rains with isolated heavy falls have occurred over East Uttar Pradesh, northeast Madhya Pradesh, Bihar, Sub-Himalayan West Bengal & Sikkim, northeastern States and Coastal Orissa. Yesterday's upper air cyclonic circulation over Bihar and neighbourhood now lies over southeast Uttar Pradesh and extends upto mid-tropospheric levels. At present, the western end of the monsoon trough has shifted to the foothills of Himalayas. The eastern end of the monsoon trough passes through Bareilly, Gorakhpur, Asansol, Kolkata and thence southeastwards into northeast Bay of Bengal. Another upper air cyclonic circulation lies over Tamil Nadu & adjoining Kerala extending upto mid-tropospheric levels tilting southwestwards with height.

Under this scenario, whether the monsoon is likely to be in weak phase over NW India, enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal &

Sikkim, Bihar, east Madhya Pradesh, north Chhattisgarh and East Uttar Pradesh is likely to during next 2-3 days.

Zone Wise Rainfall Forecast

North & North-West India: [J&K, HP, Uttranchal, Punjab, Haryana, Delhi, West UP]

The region is likely to receive isolated rainfall.

East and NE India: [East UP, Bihar, Jharkhand, West Bengal, Orissa, NE states]

Fairly widespread rainfall activity with isolated heavy showers are likely to continue over East U.P., Bihar, Orissa, West Bengal, Jharkhand and NE States.

Central India: [MP, Chattisgarh, Vidarbha]

Chattisgarh and East Madhya Pradesh regions are expected to receive fairly widespread rainfall activity. Vidarbha and West M.P. are likely to receive scattered rains.

South India: [TamilNadu, AP, Kerala, Karnataka, Andaman & Nicobar Islands, Lakshadweep]

Scattered rainfall is expected over Karnataka, Kerala, Telangana, Coastal Andhra Pradesh, Tamilnadu and Andaman & Nicobar Islands.

West India: [Maharashtra other than Vidarbha, Gujarat, Rajasthan]

Konkan & Goa and Madhya Maharashtra are likely to receive scattered rains during next 3 days. Isolated to scattered rainfall is expected over the rest of the regions outside West Rajasthan and Saurashtra & Kutch where weather is expected to be mainly dry during next 2-3 days.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.67
European Union	Euro	53.38
United Kingdom	GBP	78.59
Japan	100 Yen	39.72

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