

GUAR SEED and GUAR GUM

August 20, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum continued the momentum
- Guar vayda moved further

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 Monday.

Stochastic: The stochastic is moving in overbought region, %K line is lying above %D line, still indicating the firmness. Technical correction may also be expected.

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

Alignment pattern: The alignment pattern of moving averages is indicating the firmness in the market.

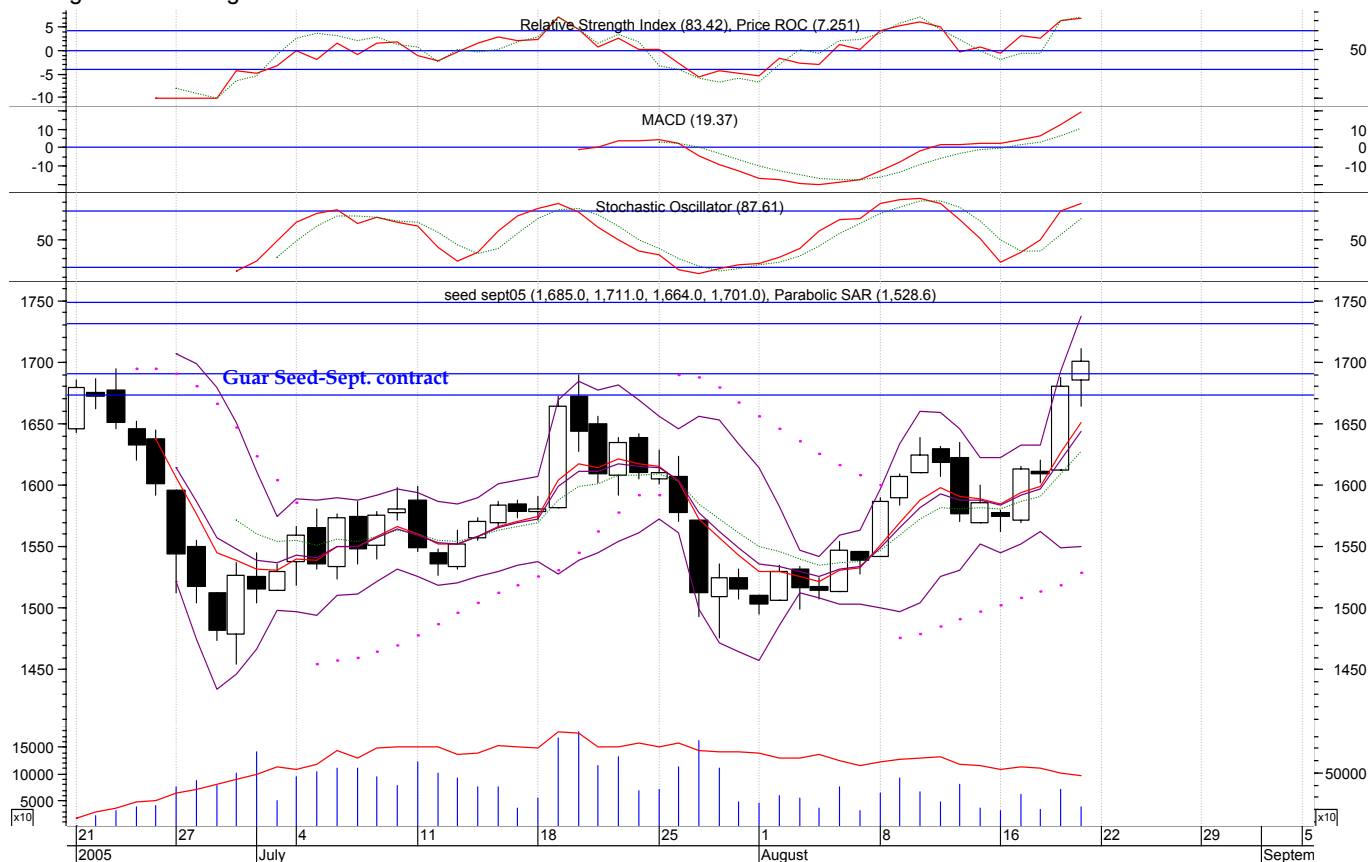
Guar seed future traded upward and ended higher. It is expected to open weaker and trade range bound upward next day.

Market outlook:

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

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1690	1673	1731	1749
Oct.	1740	1723	1780	1799



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 Monday.

Stochastic: The stochastic is moving in overbought zone, %K line is lying above the %D line and moving upward, expecting upward trade further with a slight tint of technical correction also.

MACD: The MACD (5-day), is moving upward, now reached to positive zone and lying above its EMA, giving indication of higher prices next day.

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

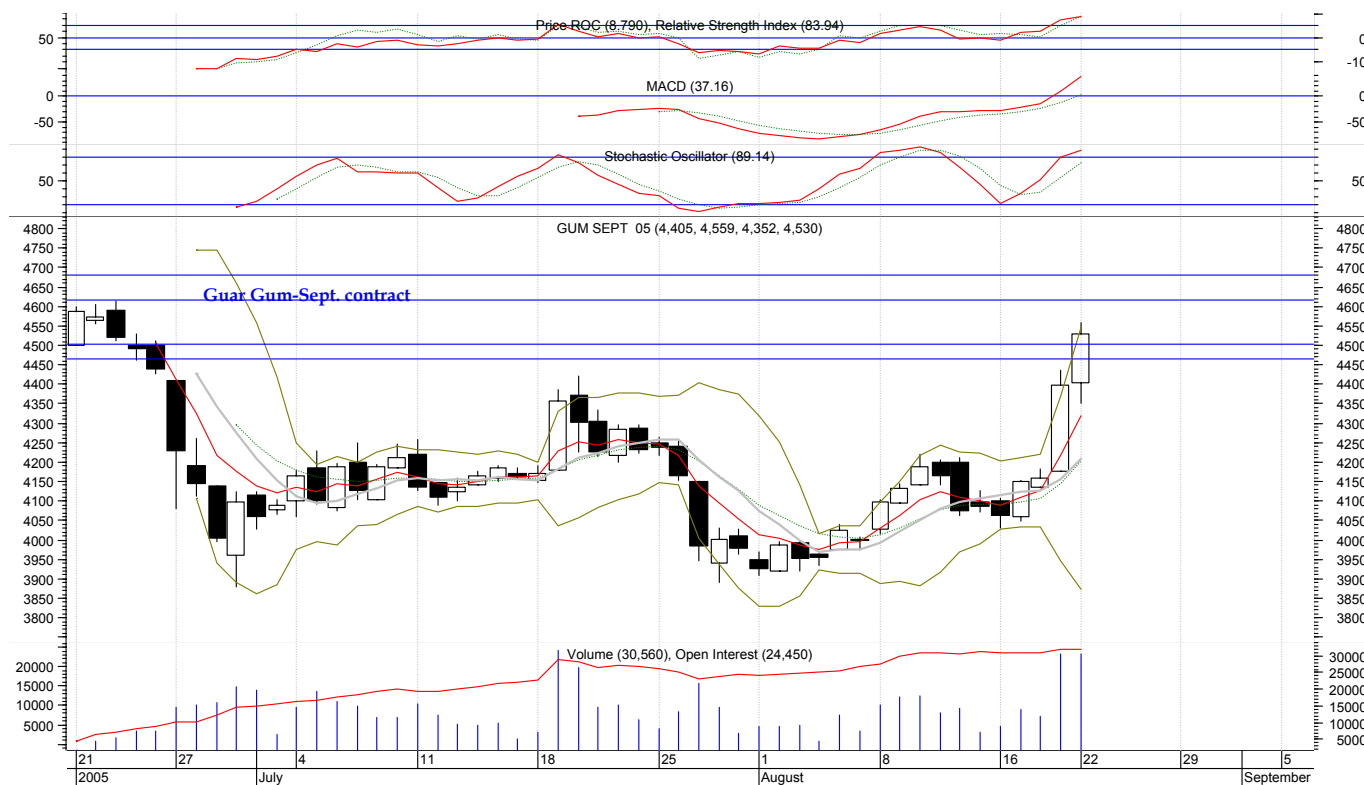
Guar gum traded upward and settled higher. It is expected to open firm and trade range bound upward on Monday.

Market outlook:

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

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	4502	4464	4617	4682
Oct.	4601	4561	4737	4796



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX traded range bound upward and finished higher. Guar seed prices in cash market also continued the momentum and witnessed higher grounds today. In Jodhpur market, guar seed was available at Rs.1700-1730 per quintal for whole day. Other market also witnessed slight firmness in prices of guar seed. Though, guar gum did not witness physical demand today, but its price in cash market of Jodhpur rose after future prices and it was available at Rs.4450-4525 per quintal over there.

Latest weather forecasts are indicating towards almost dry weather in western Rajasthan for next 2-3 days where as isolated rains may occur in parts of eastern Rajasthan and southern Gujarat. Under this scenario, bulls are showing their domination in the market and prices of guar seed and gum may be expected to move further upward.

Commodity	Centres	19.08.05	20.08.05	Change
Guar Seed	Bikaner	1640	1650	+10
	Ganganagar	1620	1635	+15
	Jodhpur-B line	1700	1725-30	+30
	Jodhpur-M line	1660	1675	+15
	Nokha	1520	1530	+10
	Alwar	Closed	-	-
Guar Gum:	Khairthal	Closed	-	-
		4425-50	4450-4500	+50

Salient points of the day

- Guar seed as well as guar gum continued their momentum amid weather sentiments.
- Partly cloudy to clear weather in Guar regions of Rajasthan and Haryana.
- Prices are expected to witness marginal upward trade on Monday.
- The rainfall activity over plains of northwest India is likely to remain subdued during next 2-3 days.

Bikaner Guar Vayda

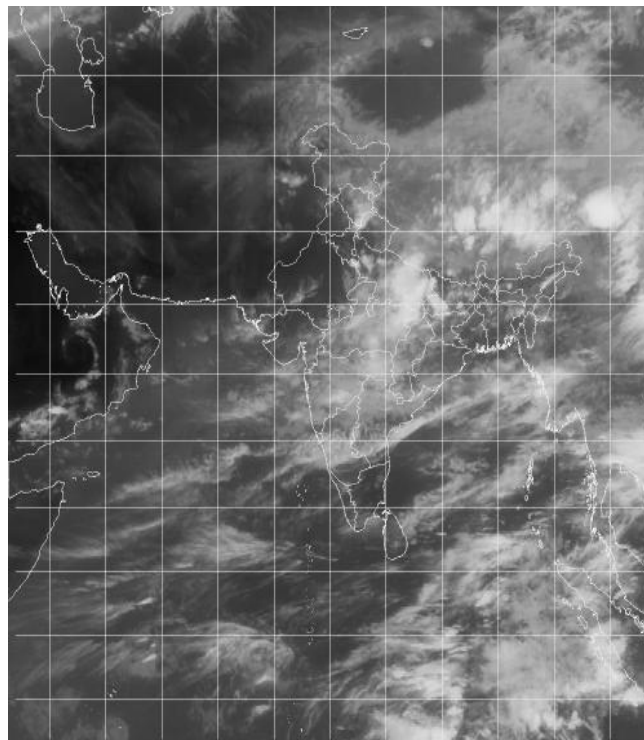
Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	312.8	320	320.20	+7.4

Price movements at Bikaner Vayda

After last day close, Bikaner September guar vayda today opened much higher at 320 and circuit closed immediately.

Satellite Image Showing Latest Cloud Cover (IMD-5:30PM)



WEATHER WATCH (20-08-05)

PROGRESS OF MONSOON;

Western end of the axis of monsoon trough continues to lie close to the foothills of Himalayas and eastern end passes through Bahraich, Varanasi, Gaya, Dhanbad, Sagar and thence southwards into westcentral Bay of Bengal. Under these conditions the rainfall activity over plains of northwest India is likely to remain subdued during next 2-3 days. Yesterday 's upper air cyclonic circulation over northeast Uttar Pradesh and adjoining Bihar now lies over central Uttar Pradesh and extends upto 1.5 km a.s.l. The other upper air cyclonic circulation over northwest Bay of Bengal and adjoining coastal Orissa extending upto mid-tropospheric levels now lies over Gangetic West Bengal and adjoining Jharkhand. Under this scenario enhanced rainfall activity likely over northeastern States, Gangetic West Bengal, Orissa, Jharkhand, Chhattisgarh, Madhya Pradesh, east Uttar Pradesh and Maharashtra & Goa during next 2-3 days. The upper air cyclonic circulation over Gujarat & neighbourhood has become less marked. Southwest monsoon was active over Arunachal Pradesh, Assam & Meghalaya, Gangetic West Bengal, Orissa, Bihar and east Madhya Pradesh. Rain/thundershowers occurred at most places over Nagaland, Manipur, Mizoram & Tripura, Sub-Himalayan West Bengal & Sikkim, Konkan & Goa and coastal Karnataka; at many places over Uttar Pradesh, Uttaranchal, west Madhya Pradesh, madhya Maharashtra,

Marathwada, Vidarbha, Chhattisgarh and Telangana and at a few places over Jharkhand, east Rajasthan, Gujarat region, interior Karnataka and Lakshadweep. It was isolated over the rest regions of the country outside Punjab, Jammu & Kashmir and west Rajasthan where weather was mainly dry.

Zone Wise Rainfall Forecast

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

Scattered rains are expected over the Uttaranchal and isolated over rest areas of the region during next 3-4 days.

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

Fairly widespread rains are expected over East U.P., north Bihar, Jharkhand, West Bengal, Orissa and NE States during next 2-3 days.

Central India: [MP, Chattisgarh, Vidarbha]

Chattisgarh and Madhya Pradesh are likely to receive fairly wide spread rains with isolated heavy rainfall during next 3 days. Vidarbha may receive scattered to fairly widespread rainfall activity during this period.

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

Most parts of south India are likely to receive scattered rains during next 3 days except over Tamilnadu where isolated rains are expected during the period

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

Scattered to fairly widespread rains are expected over Konkan & Goa, Madhya Maharastra, and south Gujarat. Rest of the areas likely to experience scattered rainfall activity except West Rajasthan where isolated rains are expected during the period.

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.57
European Union	Euro	52.96
United Kingdom	GBP	78.21
Japan	100 Yen	39.45

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