

GUAR SEED and GUAR GUM

August 18, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed improved and gum traded steady
- Guar vayda witnessed range bound 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 Friday.

Stochastic: The stochastic is now moving upward though the %K line has crossed %D line from below and lying in neutral region, indicating the firmness.

MACD: The MACD (5-day) is moving upward, lying above its EMA in positive zone, hinting slight strength in prices.

Alignment pattern: The alignment pattern of moving averages is indicating towards higher prices.

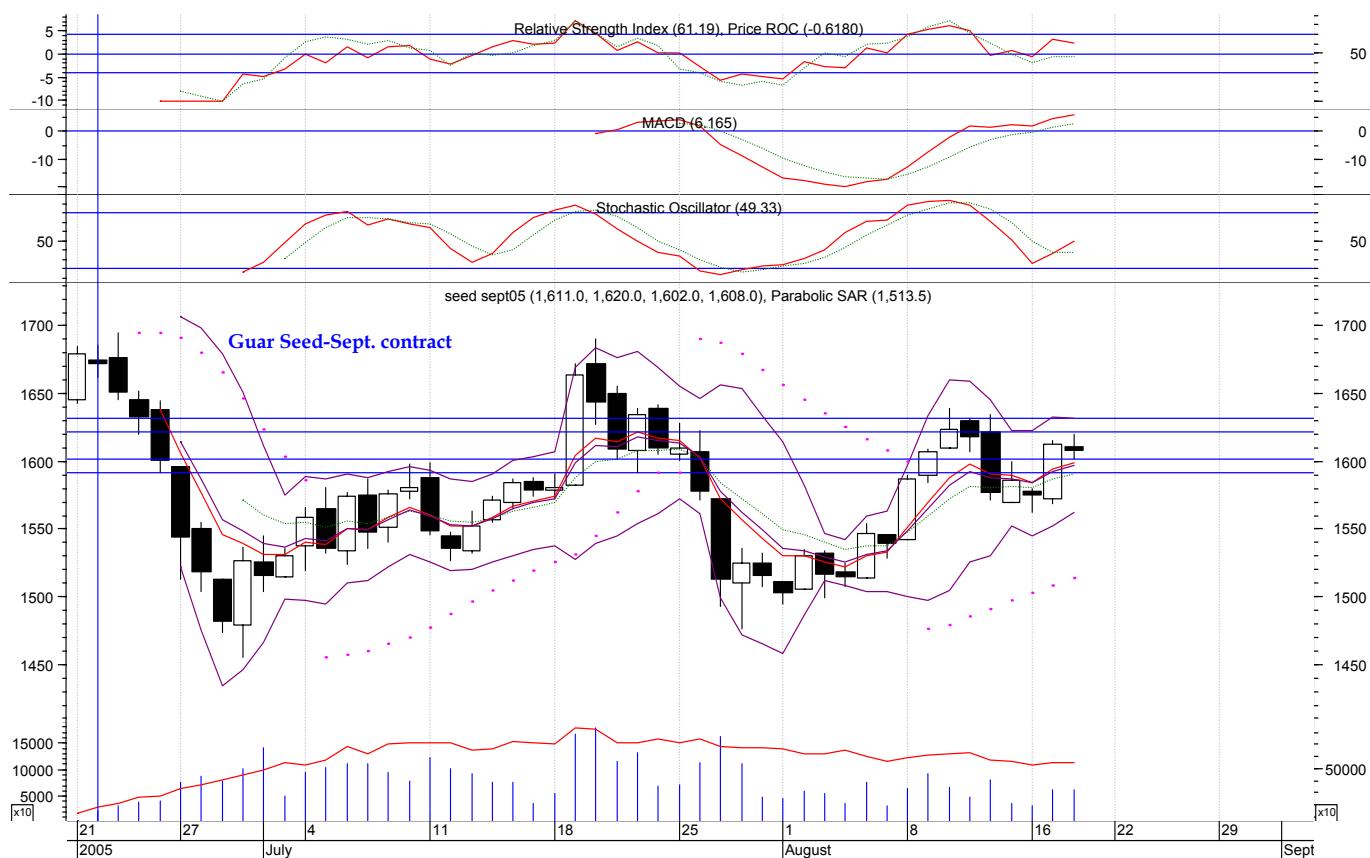
Guar seed future traded range bound and finished marginally firm. It is expected to open firm and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open weaker and trade range bound upward initially on Friday but may come down slightly during later half of the day.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| Sept. | 1601 | 1592 | 1622 | 1632 |
| Oct. | 1630 | 1615 | 1661 | 1675 |



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 Friday.

Stochastic: The stochastic is moving upward in neutral region, %K line has crossed %D line from below expecting the same movement as today's one.

MACD: The MACD (5-day), is moving upward, still lying in negative zone and above its EMA, indicating further higher prices next day.

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

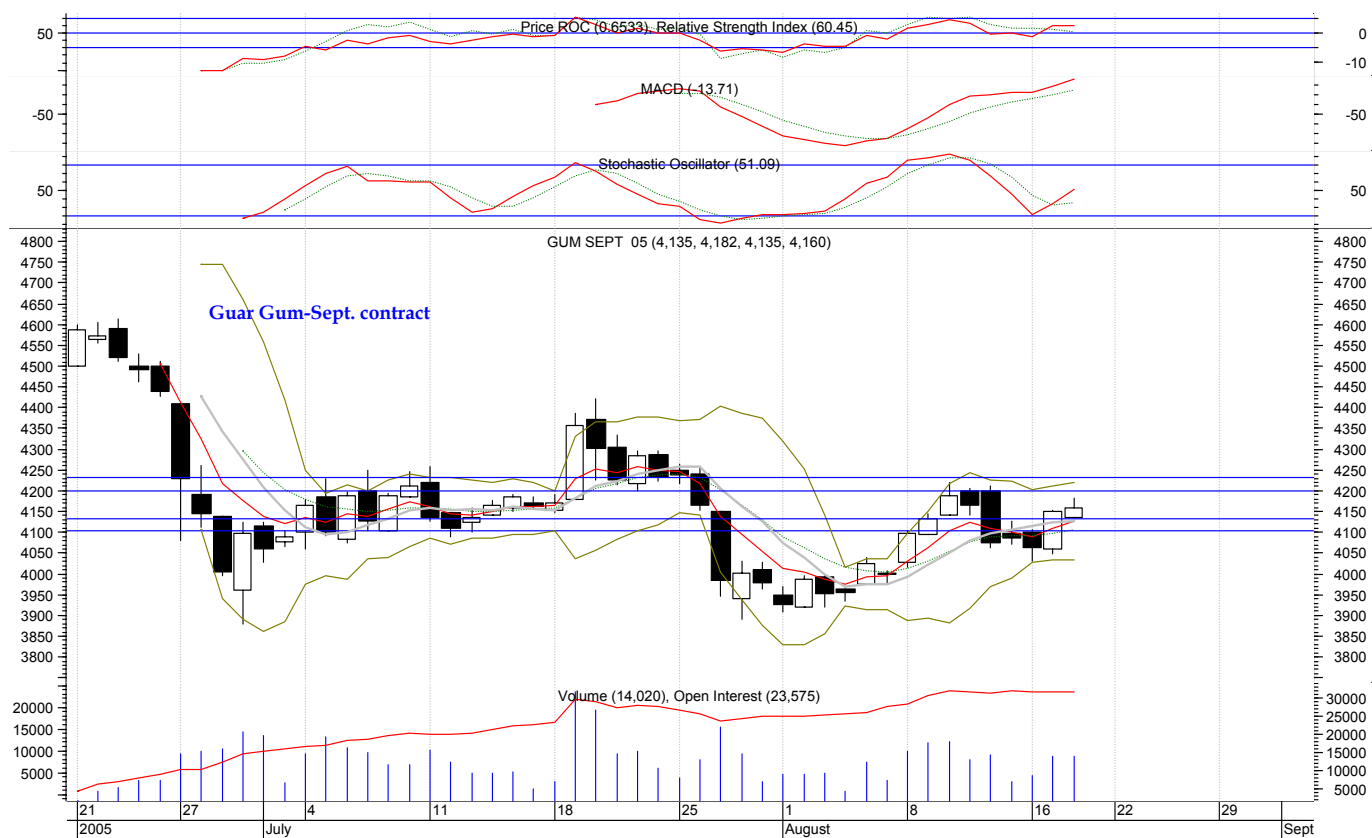
Guar gum traded range bound and settled higher. It is expected to open firm and trade upward on Friday.

Market outlook:

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

Support and Resistance level for Guar Gum:

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| Sept. | 4133 | 4104 | 4199 | 4232 |
| Oct. | 4222 | 4194 | 4295 | 4322 |



MARKET COMMENTARY OF MAJOR MARKETS

August contracts at NCDEX expired today and guar seed futures witnessed their trade in narrow range throughout the day and finished almost similar to previous close. Following this, cash markets also traded in calm way though guar seed improved marginally. In Jodhpur market, Bikaner line 98% whitish guar seed was offered at Rs.1525-35 per quintal today where as in Bikaner market it was almost steady.

Guar gum futures at NCDEX witnessed range bound trade, which finished almost at previous day's level. In cash market of guar gum, good demand was witnessed for guar gum today. One of the major gum exporters was asking for and guar gum was sold upto Rs.4235 per quintal in Jodhpur market though it was available at Rs.4175-4200 per quintal during evening.

Parts of Haryana and Rajasthan witnessed light rains today but western Rajasthan did not get the feel. Rains in Haryana too were not good enough. Also, according to recent forecasts, monsoon is expected to enter into another weak phase from 21st August and if it happens so, prices of guar seed and gum are certainly going to be affected. New cyclonic circulation was noticed in Bay of Bengal today and now we have to watch its movement also. Overall, there are becoming lesser chances of good rains in the guar regions and under these circumstances, prices of guar seed and gum could move higher in future.

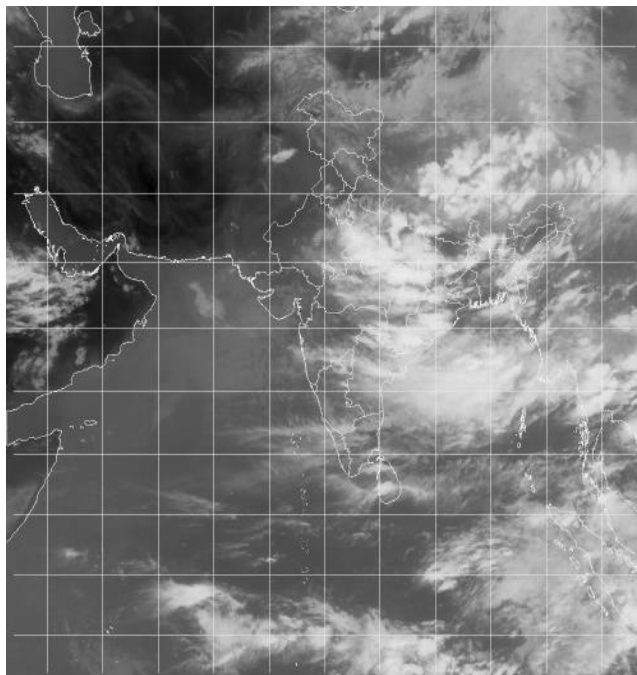
| Commodity | Centres | 17.08.05 | 18.08.05 | Change |
|-----------|----------------|----------|-----------|--------|
| | Bikaner | 1550 | 1550 | 0 |
| | Ganganagar | 1515 | 1515 | 0 |
| | Jodhpur-B line | 1610-15 | 1325 | +10 |
| Guar Seed | Jodhpur-M line | 1575-80 | 1600 | +20 |
| | Nokha | Closed | 1430-60 | - |
| Guar Gum: | | 4150 | 4150-4175 | +25 |

Salient points of the day

- Guar seed as well as guar gum traded almost steady to marginally firm today.
- Rains in parts of eastern Rajasthan, Haryana and Punjab.
- Cloudy weather in eastern Rajasthan.
- There are early indications of monsoon going into another Weak Phase beginning from 21st August, 2005 leading to enhanced rainfall activity over NE states and sub-Himalayan West Bengal and sub-dried rainfall over remaining parts of the country.

- New cyclonic circulation has been formed in Bay of Bengal.
- Prices are expected to witness marginal upward trade initially on Friday.

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



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open | Close | Change |
|----------|-------------|-------|-------|--------|
| Sep. | 312.7 | 312.8 | 313 | +0.1 |

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened almost steady at 312.6, traded range bound throughout the day and closed at 312.8, almost at the same level to previous close.

WEATHER WATCH (18-08-05)

PROGRESS OF MONSOON;

Yesterday's upper air cyclonic circulation over Jharkhand and adjoining Chhattisgarh now lies over southeast Uttar Pradesh and extends upto 0.9 km a.s.l. The other upper air cyclonic circulation over Gujarat & neighbourhood extending between 2.1 & 4.5 km a.s.l. also persists. The upper air cyclonic circulation extending upto 1.5 km a.s.l. over central Pakistan and neighbourhood has become less marked. A fresh upper air cyclonic circulation extending between 2.1 & 5.8 km a.s.l. has formed over north Bay of Bengal. Western end of the axis of monsoon lies close to

the foothills of Himalayas and eastern end passes through Kanpur, Gaya, Dhanbad, Balasore and thence southeastwards into Eastcentral Bay of Bengal. Southwest monsoon was active over Arunachal Pradesh, sub-Himalayan West Bengal & Sikkim and south interior Karnataka. Rain/ thundershowers occurred at most places over Konkan & Goa, and coastal Karnataka; at many places over Assam & Meghalaya, Uttar Pradesh, Uttaranchal, Punjab and madhya Maharashtra and at a few places over Nagaland, Manipur, Mizoram & Tripura, Bihar, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, east Rajasthan, Madhya Pradesh, Marathwada, Telangana, north interior Karnataka and Kerala. It was isolated over the rest regions of the country outside coastal Andhra Pradesh, Rayalaseema and Lakshadweep where weather was mainly dry.

Zone Wise Rainfall Forecast

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

With the weakening of Western Disturbance and western end of the monsoon trough moving towards foothills, rainfall activity is expected to decrease over the region. Scattered to fairly widespread rains are expected over the hilly region during next 24 hours and decrease thereafter. Rest areas of the region are likely to receive isolated rains 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. and Bihar during next 48 hours. NE States and Sub-Himalayan West Bengal are expected to receive fairly wide spread rains during next 3-4 days. Scattered rains are likely over rest areas of the region.

Central India: [MP, Chattisgarh, Vidarbha]

Chattisgarh and Madhya Pradesh are likely to receive scattered to fairly wide spread rains during next 2-3 days. Vidarbha may receive scattered rainfall activity during this period.

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

Coastal Karnataka is likely to receive fairly widespread rains during next 3 days. Scattered rains are expected over rest areas except over Tamilnadu where isolated rains are expected during next 3-4 days.

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

Scattered rains are expected over Konkan & Goa, Madhya Maharashtra, Gujarat and East Rajasthan; and isolated over rest areas during next 3 days.

Source: GOI

EXCHANGE RATE

| Country/ Continent | Currency | Value in Rupees |
|-----------------------|----------|-----------------|
| USA | Dollar | 43.56 |
| European Union | Euro | 53.47 |
| United Kingdom | GBP | 78.62 |
| Japan | 100 Yen | 39.56 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.