

GUAR SEED and GUAR GUM

August 06, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded slightly weaker
- 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 steady opening and range bound trade on Monday.

Stochastic: The stochastic is moving upward, %K line is lying above the %D line but slightly flattened now, but indicating the strength in prices yet.

MACD: The MACD (5-day) is moving upward, though still lying below its EMA, hinting marginal strength in prices.

Alignment pattern: The alignment pattern of moving averages is not confirming the higher movement in the prices.

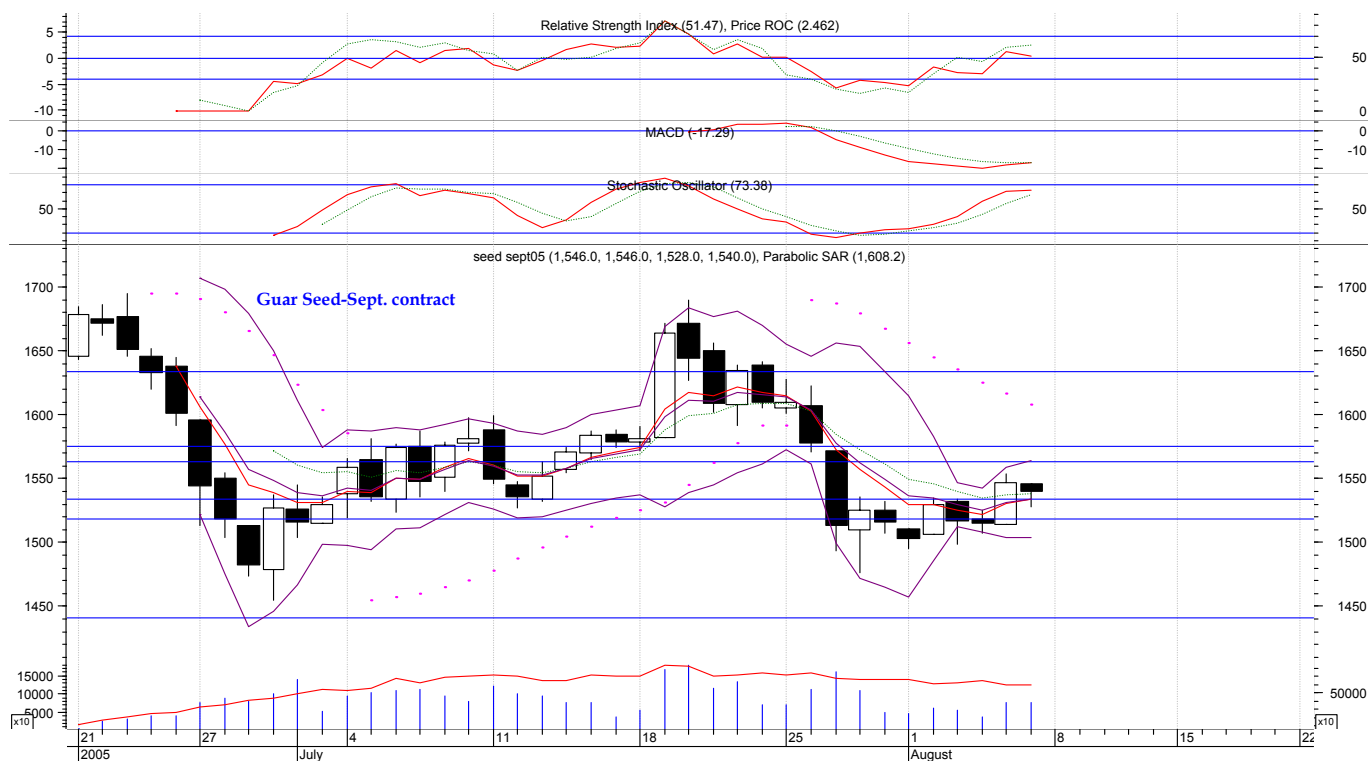
Guar seed future traded range bound and closed marginally down. It is expected to open steady and trade range bound upward next day.

Market outlook:

- Guar seed prices are expected to open steady and trade range bound upward on Monday but the condition of rain in Guari areas of Haryana and Rajasthan will be the deciding factor in price movement.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1508	1498	1532	1540
Sept.	1534	1518	1563	1575
Oct.	1551	1535	1583	1599



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

Candlestick: Formation of Candlestick pattern is indicating towards steady opening and range bound trade on Monday.

Stochastic: The stochastic is moving upward, %K is lying above %D line and approaching the overbought line, still hinting the higher prices.

MACD: The MACD (5-day), is moving upward in negative zone and about to touch its EMA from below, hinting slight firmness in the market.

Alignment pattern: The alignment pattern of moving average is not giving any clear-cut signal regarding price movement.

Guar gum traded range bound and finished slightly lower than previous close. It is expected to open steady and trade range bound on Monday.

Market outlook:

- Guar gum is expected to open steady and trade range bound marginally upward on Monday. Watchfulness regarding rains in Guari areas is must as that may change the sentiment temporarily.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	3889	3864	3930	3966
Sept.	3992	3969	4040	4062
Oct.	4065		4128	



MARKET COMMENTARY OF MAJOR MARKETS

Amidst light rains in parts of Rajasthan last night, guar seed futures at NCDEX traded speculative downward immediately after the opening but recovered thereafter and closed marginally lower from previous close. Cash markets also followed the sentiments and traded almost steady to marginally lower. In Jodhpur market, guar seed did not witness much change and Bikaner line 98% whitish guar seed was asked at Rs.1560-75 per quintal. In Bikaner market, guar seed marginally lower at Rs.1440 per quintal. Steady trade was witnessed in other markets of guar seed today.

Guar gum vayda at NCDEX traded speculative downward today morning, which closed almost at previous closing level at the end. Guar gum in cash markets also traded similarly and moved marginally lower. Guar gum was priced at Rs.3950-75 per quintal in Jodhpur market today.

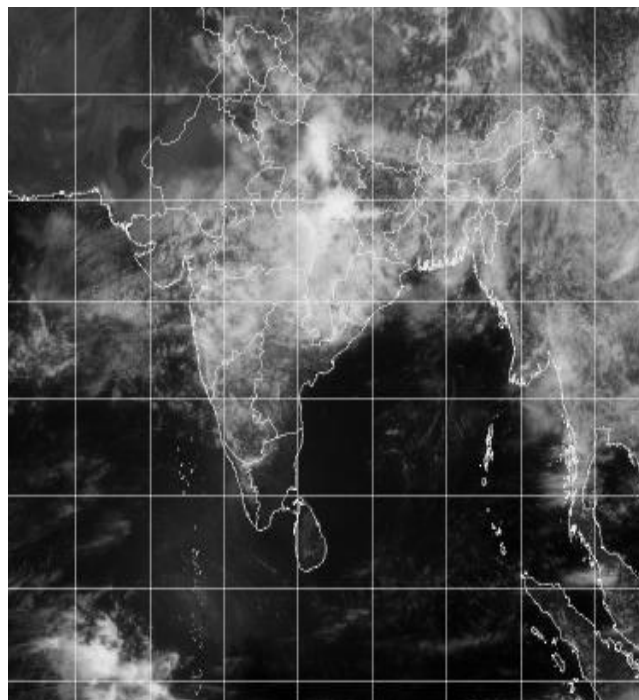
It rained in small parts of Rajasthan last night which changed the sentiments temporarily today morning and guar prices came down but later on the fact spread that rains were not to the extent to get worried and again the market recovered. Now the Guari regions need second rain for the crop and any rain in Guari areas of Haryana and Rajasthan will influence the prices of guar seed and gum the cash and future markets.

Commodity	Centres	05.08.05	06.08.05	Change
	Bikaner	1460	1470	+10
	Ganganagar	1430	1425-35	+5
Guar Seed	Jodhpur-B line	1550-70	1550-75	+5
	Jodhpur-M line	1525-40	1525-40	0
	Nokha	1380	1380	0
	Alwar	1325	1325	0
	Khairthal	1325	1325	0
Guar Gum:		3975-4000	3950-75	-25

Salient points of the day

- Rains in parts of Ganganagar last night where as clear weather in most parts of Rajasthan during whole day.
- Raines today in parts of Delhi and Haryana.
- Guar seed as well as guar gum witnessed range boundt during whole day.
- Prices are expected to witness marginal upward trade with range bound movements on Monday.

Satellite Image Showing Latest Cloud Cover in Bay of Bengal (IMD-3:30PM)



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	297.7	297	297.8	+0.8

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened marginally weaker at 297 and witnessed range bound trade through out the day that finally closed marginally firm at 297.8, up by Rs.4 per quintal from previous close.

WEATHER WATCH (06-08-05)

PROGRESS OF MONSOON;

Yesterday's low pressure area over northeast Chhattisgarh & adjoining Jharkhand now lies over Jharkhand & neighbourhood. The associated upper air cyclonic circulation extends up to mid-tropospheric levels. The system is likely to cause widespread rainfall over Jharkhand, Chhattisgarh, East Madhya Pradesh and Vidarbha during next 2-3 days. It is also likely to enhance the rainfall activity over northeast India and Bihar.

The off-shore trough now runs from south Konkan to Kerala coast and is likely to cause moderate rainfall with isolated heavy falls over Konkan & Goa and Madhya Maharashtra during next 2-3 days.

The western end of the monsoon trough at sea level continues to lie north of its normal position and is interacting with the existing western disturbance. Its axis now passes through Ferozepur, Barreilly, Lucknow, centre of low-pressure area and thence south-southeastwards to north Bay of Bengal. Under this scenario, increased rainfall activity with isolated heavy falls over western Himalayan region and plains of Punjab, Haryana and Uttar Pradesh are likely during next 2-3 days.

Zone-Wise Rainfall Forecast

North & North-West India: Fairly widespread rainfall is likely over the region during next 24-36 hours. Subsequently, rainfall activity is likely to reduce over the region.

East and NE India : Orissa, Jharkahnd and West Bengal are likely to receive fairly widespread to widespread rains with isolated heavy falls during next 2-3 days. Fairly widespread rainfall is likely over East UP, Bihar and NE States during next 3 days. The rainfall activity over NE states, Sub-Himalayan West Bengal and North Bihar may increase after 2 days.

Central India: Under the influence of the low pressure area, Chattisgarh, Madhya Pradesh and Vidarbha are likely to receive fairly widespread rains during next 3-4 days.

South India;: Karnataka, north Kerala, Telangana and North Coastal Andhra Pradesh are likely to receive fairly widespread rainfall activity during next 2-3 days with

isolated heavy falls in Coastal Karnataka. Rest areas of the region are likely to receive isolated to scattered rains during this period.

West India: Konkan & Goa and remaining parts of Maharashtra may receive fairly widespread rains with isolated heavy falls in Konkan & Goa during next 3-4 days. Rest areas of the region are likely to receive isolated to scattered rains during this period.

Heavy Rainfall Warning

Isolated heavy rainfall likely over northeastern States, Uttar Pradesh, Uttaranchal, Haryana including Chandigarh & Delhi, Punjab, Himachal Pradesh, East Madhya Pradesh, Chhattisgarh, Konkan & Goa, Madhya Maharashtra and Vidarbha,

Source: GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.49
European Union	Euro	53.61
United Kingdom	GBP	77.35
China	Yuan Renminbi	5.36
Japan	100 Yen	38.88

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