

GUAR SEED and GUAR GUM

August 25, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda witnessed slight weakness

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term

NCDEX September Contract

Candlestick: Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Friday.

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

MACD: The MACD (5-day) is still moving upward above its EMA in positive zone, slightly flattened now and expecting higher moves.

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

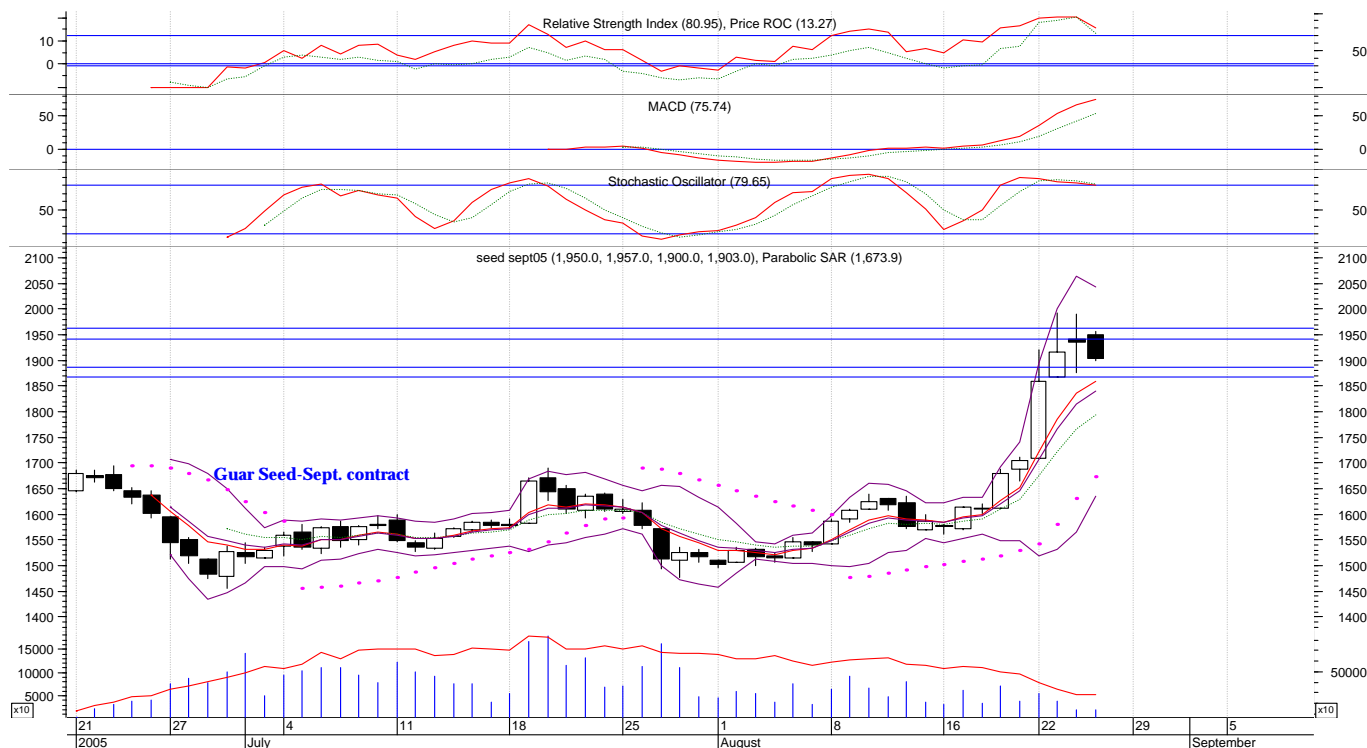
Guar seed future traded range bound and ended weaker. It is expected to open weaker and trade range bound next day.

Market outlook:

- Guar seed prices are expected to open weaker and trade range bound, downward initially and marginally upward thereafter on Friday. There might be a chance for range bound or even marginally weaker market for next two days but in case of no hope of further rain in western Rajasthan, prices will move up again.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1887	1868	1942	1963
Oct.	1942	1919	2000	2029



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

Candlestick: Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Friday.

Stochastic: The stochastic is turning down in overbought zone, %K line is lying below the %D line and expecting the downward technical correction tomorrow.

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

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

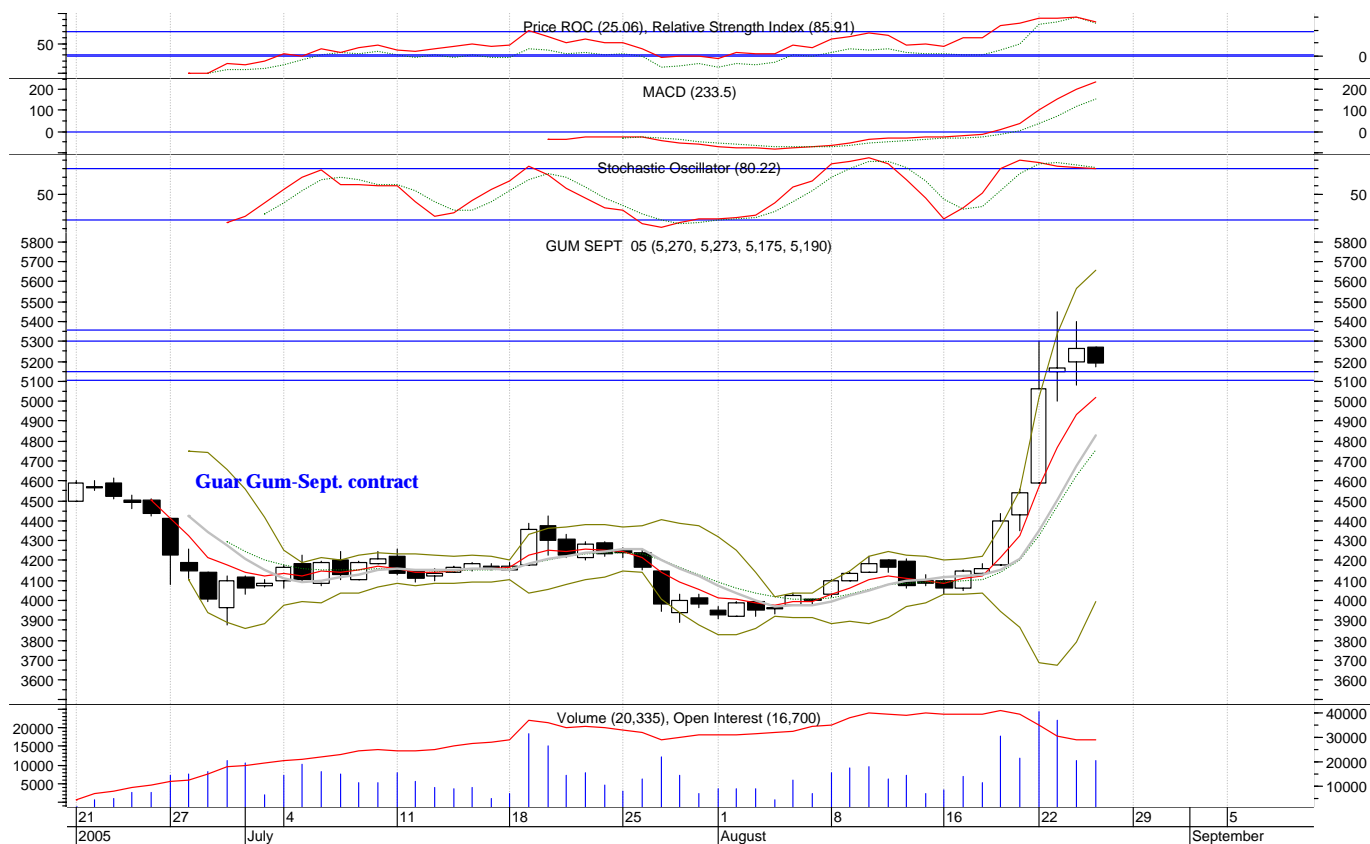
Guar gum traded range bound and finished slightly weaker. It is expected to open weaker and trade range bound on Friday.

Market outlook:

- Guar gum is expected to open weaker and trade range bound, downward initially and slightly upward thereafter on Friday. There might be a chance for range bound market for next two days but in case of no hope of further rain, prices will move up again.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	5150	5104	5301	5355
Oct.	5249	5190	5421	5497



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX witnessed range bound trade in narrow range as compared to movements during last few days and closed slightly weaker at the end. Prices were kept under control by short-term profit booking as well as the activeness of bears. Cash markets witnessed marginally downward moves and guar seed was available at Rs.1900 per quintal in Jodhpur market during evening today. Bikaner market also witnesses slightly downward fluctuation and guar seed was sold at Rs.1830-40 per quintal over there.

Guar gum futures at NCDEX witnessed range bound trade in small range and finished lower at the end amidst speculative selling. Guar gum was available at Rs.5175 per quintal in Jodhpur market, down from previous day's price level.

The market of guar seed and gum witnessed temporary check in their momentum today. Trade volume was also reduced amid the increased margin money. There is the festival of *Janmashtami* also day after tomorrow and people are thinking that there might be rain on that day. Also, there comes holiday of Sunday next day, and with all these factors, bears checked the market today. Even though various forecasts are showing no rain in western Rajasthan during next 2-3 days, market may witness range bound or slightly weaker moves next two days but, in case of no hope of further rains during next week also, it has to move up again within next week.

Commodity	Centres	24.08.05	25.08.05	Change
	Bikaner	1850	1850	0
	Ganganagar	1800	1825	+25
Guar Seed	Jodhpur-B line	1925	1900	-25
	Jodhpur-M line	1890	1870	-20
Guar Gum:		5250	5175	-75

Salient points of the day

- Guar seed as well as guar gum traded in range bound.
- Short-term profit makers kept the prices of guar seed and guar gum marginally towards lower side.
- Clear weather in western Rajasthan. Subdued rainfall activity is likely to continue over northwest & westcentral India. Increase in rainfall activity over south Peninsula and Lakshadweep.
- Prices are expected to witness range bound trade tomorrow.
- The monsoon is likely to be in weak phase over NW India for next 2-3 days.

Bikaner Guar *Vayda*

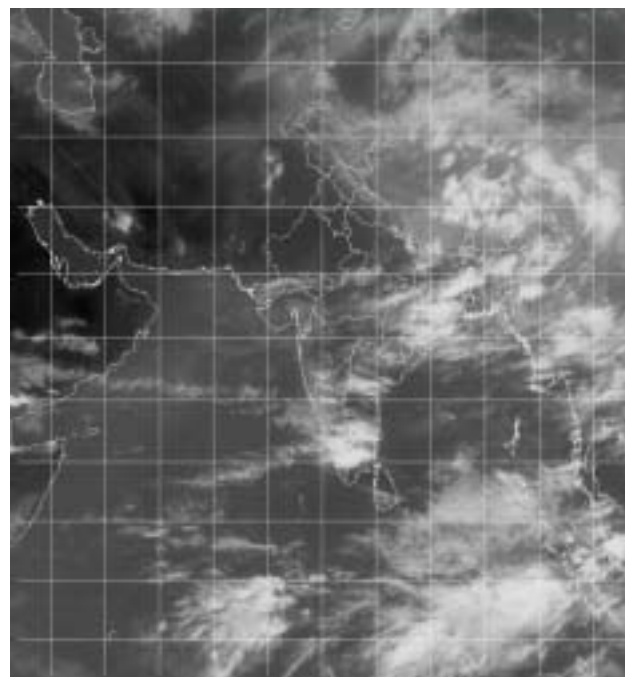
Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	342.7	345	345.5	+2.8

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm at 345 and witnessed marginally downward trade and finished at 345.5, up by Rs.12.5 from previous close.

Satellite Image Showing Latest Cloud Cover (IMD, 6:30PM)



WEATHER WATCH (25-08-05)

PROGRESS OF MONSOON;

The eastern end of the monsoon trough also shifted northwards and now the axis of the entire trough runs close to the foothills of Himalayas. Yesterday's upper air cyclonic circulation over Sub-Himalayan West Bengal & Sikkim and adjoining Bihar extending up to 3.1 km a.s.l. has become less marked. However, a north-south trough runs from Sub-Himalayan West Bengal & Sikkim to north Bay of Bengal in the lower level. Under this scenario, enhanced rainfall activity over northeastern States, Sub-Himalayan West Bengal & Sikkim and Bihar is likely to continue for another 2 days. Yesterday's upper air cyclonic circulation over Lakshadweep extending between 3.1 and 4.5 km a.s.l. has also become less marked. However, an off shore trough at sea level lies off Karnataka-Kerala coasts. Southwest monsoon was vigorous over Bihar and active over Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, east Uttar Pradesh and Uttaranchal. Rain/ thundershowers occurred at most places over Arunachal Pradesh and West

Bengal & Sikkim; at many places over Jharkhand, Himachal Pradesh, Konkan & Goa and coastal Karnataka and at a few places over Orissa, Jammu & Kashmir, coastal Andhra Pradesh, Telangana, Tamil Nadu & Pondicherry and Kerala. It was isolated over rest regions of the country outside west Uttar Pradesh, Haryana, Punjab, Rajasthan and Lakshadweep where weather was mainly dry.

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 only.

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

Bihar, sub-Himalayan West Bengal & Sikkim, Jharkhand and NE States during next 2 days. Subsequently, rainfall activity is expected to enhance over Orissa and Gangetic west Bengal.

Central India: [MP, Chattisgarh, Vidarbha]

Isolated to scattered rainfall activity is likely over entire region for next 2-3 days. Subsequently, scattered to fairly widespread rainfall is expected over Chattisgarh and Vidarbha

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

Scattered to fairly widespread rainfall activity is expected over Coastal Karnataka and north Kerala for next 4-5 days. Isolated to scattered rainfall is expected over remaining region for next 2 days. Subsequently, rainfall activity may

increase over and Coastal Andhra Pradesh and Lakshadweep.

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

Scattered rains are expected over the region except West Rajasthan for next 2 days. Subsequently, fairly widespread rainfall activity is expected over Konkan & Goa and Marathwada.

West Rajasthan and Saurashtra & Kutch are likely to experience mainly dry weather.

Source: GOI (IMD & NCMRWF)

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.76
European Union	Euro	53.86
United Kingdom	GBP	79.04
Japan	100 Yen	39.85

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