

GUAR SEED and GUAR GUM

August 13, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed traded firm and gum range bound
- Guar vayda recovered slightly

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 Tuesday.

Stochastic: The stochastic is moving downward; %K line has crossed %D line from above and lying in neutral region, expecting further downward trade.

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

Alignment pattern: The alignment pattern of moving averages is indicating towards marginal improvement in prices.

Guar seed future traded range bound and settled slightly firm. It is expected to open steady and trade range bound upward next day.

Market outlook:

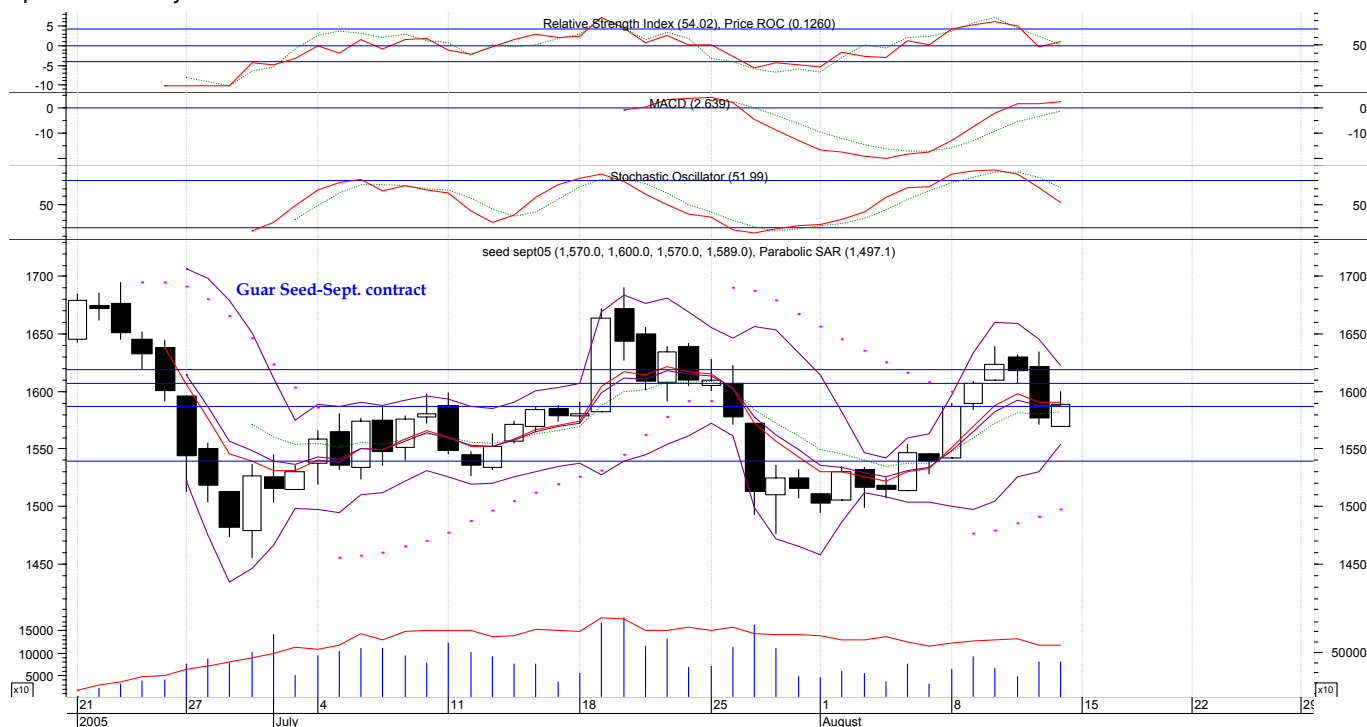
- Guar seed prices are expected to open weaker /steady and trade range marginally upward on Tuesday.

Note: in case of any revival of monsoon during next two days, which in turn may lead to rains in guar regions, prices will fall steeply by Rs.50-100 per quintal.

- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	1553	1507	1572	1584
Sept.	1587	1540	1607	1619
Oct.	1611	1561	1632	1645



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 Tuesday.

Stochastic: The stochastic has come down and moving in neutral region, %K line has crossed %D line from above expecting further downward movement.

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

Alignment pattern: The alignment pattern of moving average is hinting the price movement towards higher side.

Guar gum traded range bound and settled higher. It is expected to open steady and trade marginally upward on Tuesday.

Market outlook:

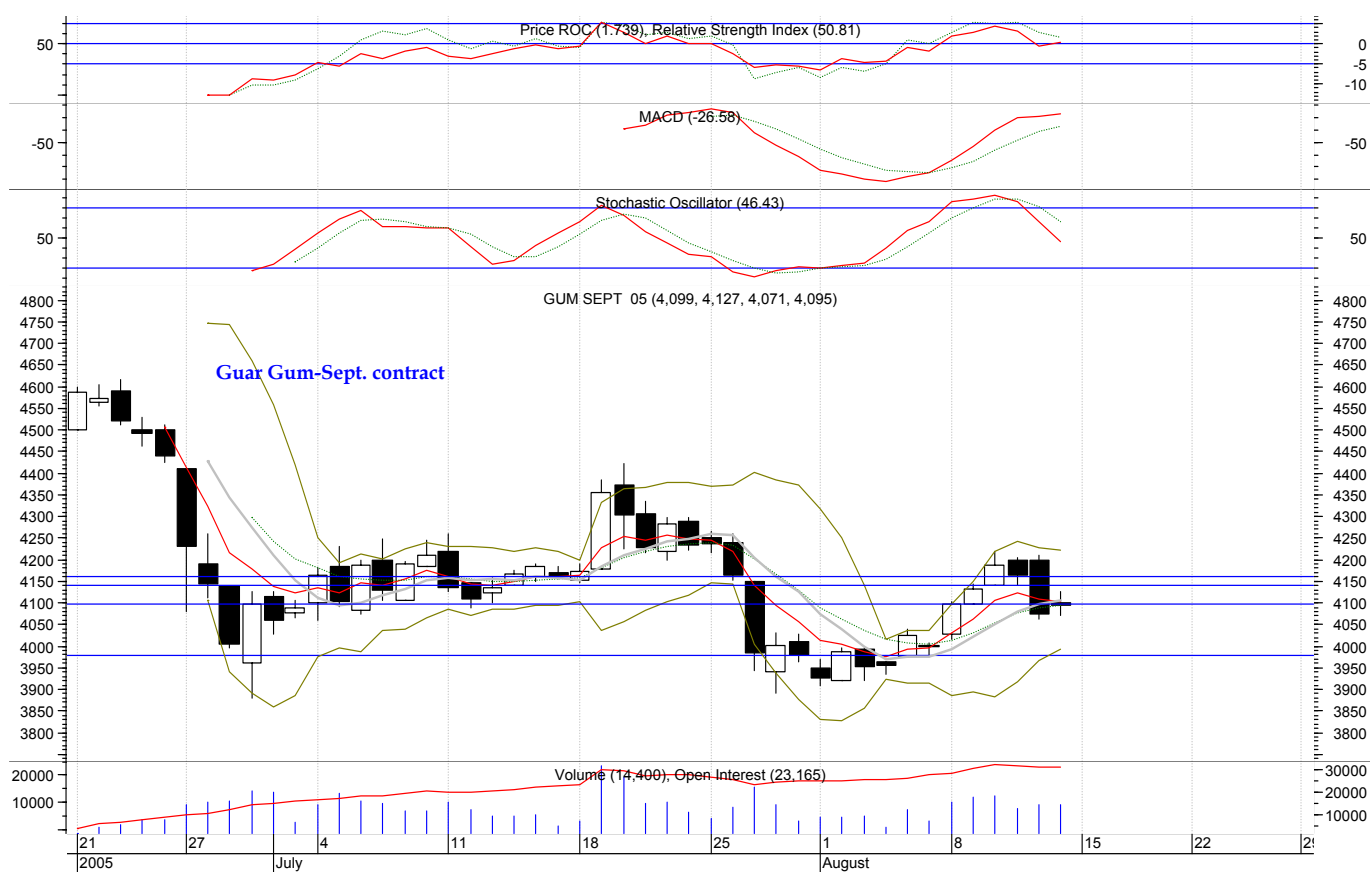
- Guar gum is expected to open weaker/steady and trade marginally upward with range bound on Tuesday.

Note: in case of any revival of monsoon during next two days, which in turn may lead to rains in guar regions, prices will fall steeply by around 125-175 Rupees.

- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Aug.	3980	3880	4026	4063
Sept.	4098	3979	4141	4161
Oct.	4188	4073	4236	4259



MARKET COMMENTARY OF MAJOR MARKETS

Yesterday's speculative downward movement was checked today and guar seed futures at NCDEX traded marginally upward. Cash markets were almost steady to marginally firm amid clear weather in Rajasthan and surroundings. Bikaner line 98% whitish guar seed was traded at around Rs.1600 per quintal during whole day. Bikaner market witnessed marginal firmness and guar seed was sold at Rs.1520-25 per quintal today. Other markets witnessed marginal recovery today.

Guar gum futures at NCDEX witnessed slight upward trade amid clear weather in Rajasthan and neighbouring states. Cash markets traded range bound and but improved slightly during evening. In Jodhpur market, guar gum was available at Rs.4100-4150 per quintal.

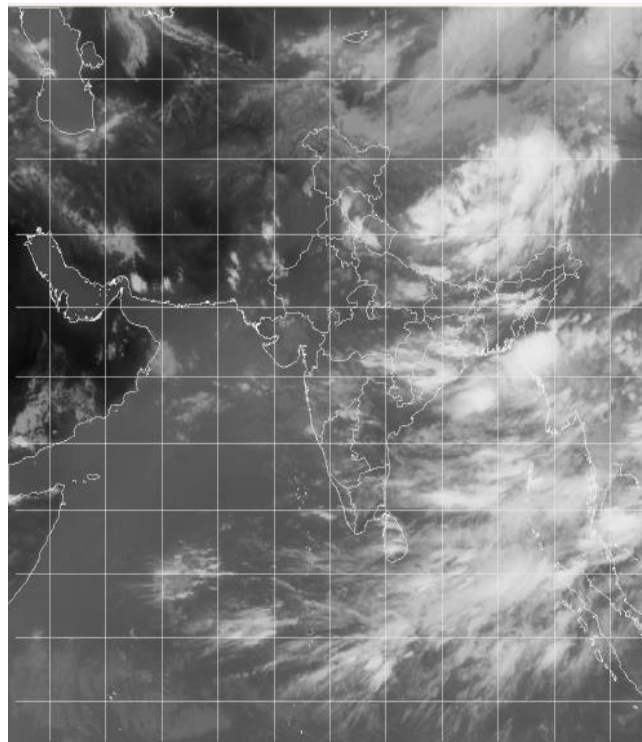
According to IMD's latest forecast, weather will be mainly dry over West Rajasthan, West Uttar Pradesh, Haryana and Punjab only upto 14th August, and there is possibility of scattered showers from 15th onwards in these regions. If it happens true and rainfall starts in these areas, prices must fall steeply otherwise there are chances of slight improvement on Tuesday also.

Commodity	Centres	12.08.05	13.08.05	Change
Guar Seed	Bikaner	1510	1525	+15
	Ganganagar	1480-90	1490	+10
	Jodhpur-B line	1590	1600	+10
	Jodhpur-M line	1565	1575	+10
	Nokha	1400	1420	+20
	Alwar	1350	1350	0
	Khairthal	1350	1350	0
Guar Gum:		4075	4100-25	+50

Salient points of the day

- Clear weather in Rajasthan and Haryana and Punjab.
- Monsoon is likely to revive within next 24-48 hrs. (NCMRWF).
- Guar seed as well as guar gum settled marginally higher.
- Prices are expected to witness marginal upward trade on Tuesday except in the case of rains in guar areas when prices may fell steeply.

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



Bikaner Guar Vayda

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	305.3	308	306.8	+1.5

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm at 308, traded range bound upward throughout the day and closed marginally firm at 306.8, up by Rs.7.5 per quintal from previous close.

WEATHER WATCH (13-08-05)

PROGRESS OF MONSOON;

Monsoon is likely to revive within next 24-48 hrs. with the concentration of existing upper air cyclonic circulation over NW Bay of Bengal and adjoining west central Bay of Bengal. Under its influence, the rainfall activity over many parts of east and Central India viz., Orissa, Jharkhand, East Madhya Pradesh and Chattisgrah may increase in next 48 Hrs. South-west monsoon continued to be in break phase for past 6 days with the position of the axis of monsoon trough remaining close to the foothills of Himalayas. Model prediction suggests that the axis of monsoon trough is expected to be over plains of north India with in next 24 Hrs. and be in its near normal position during next 4-5 days.

Zone Wise Rainfall Forecast

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

Rainfall activity over the region is likely to increase to scattered to fairly wide spread during next 4-5 days. However, the region may experience only isolated to scattered rainfall in next 24 Hrs.

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

Rainfall over West Bengal, Sikkim, NE states and Bihar are likely to be fairly widespread to widespread rains with isolated heavy falls during next 24-48 Hrs. The rainfall activity over Orissa and Jharkahnd is likely to increase to wide spread in next 24 Hrs.

Central India: [MP, Chattisgarh, Vidarbha]

Chattisgarh, Madhya Pradesh and Vidarbha are likely to receive isolated to scattered rains during next 2 days. Subsequently, rainfall activity is likely to increase to wide spread especially over Chattisgarh and East MP.

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

Coastal Karnataka, Coastal Andhra Pradesh and Kerala are likely to receive scattered rainfall activity during next 24

Hrs. Thereafter, entire region is likely to receive scattered to fairly wide spread rainfall during next 4 days.

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

Konkan & Goa and Madhya Maharastra may receive fairly widespread rains during next 4-5 days. Rest areas of the region are likely to receive scattered to fairly wide spread rains during this period except over west Rajasthan where rainfall is expected to be isolated.

Source: (NCMRWF) GOI

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
European Union	Euro	54.22
United Kingdom	GBP	79.11
Japan	100 Yen	39.85

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