

GUAR SEED and GUAR GUM

August 27, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum stepped ahead
- Guar vayda continued with the trend

TECHNICAL ANALYSIS

Commodity: Guar Seed
Perspective: Very Short Term
NCDEX October Contract

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

Stochastic: The stochastic has again turned towards higher side in overbought region; % -K line is lying above % -D line, hinting slight firmness but downward technical correction may take place soon.

MACD: The MACD (5-day) is steeply moving upward above its EMA in positive zone, expecting further higher moves.

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

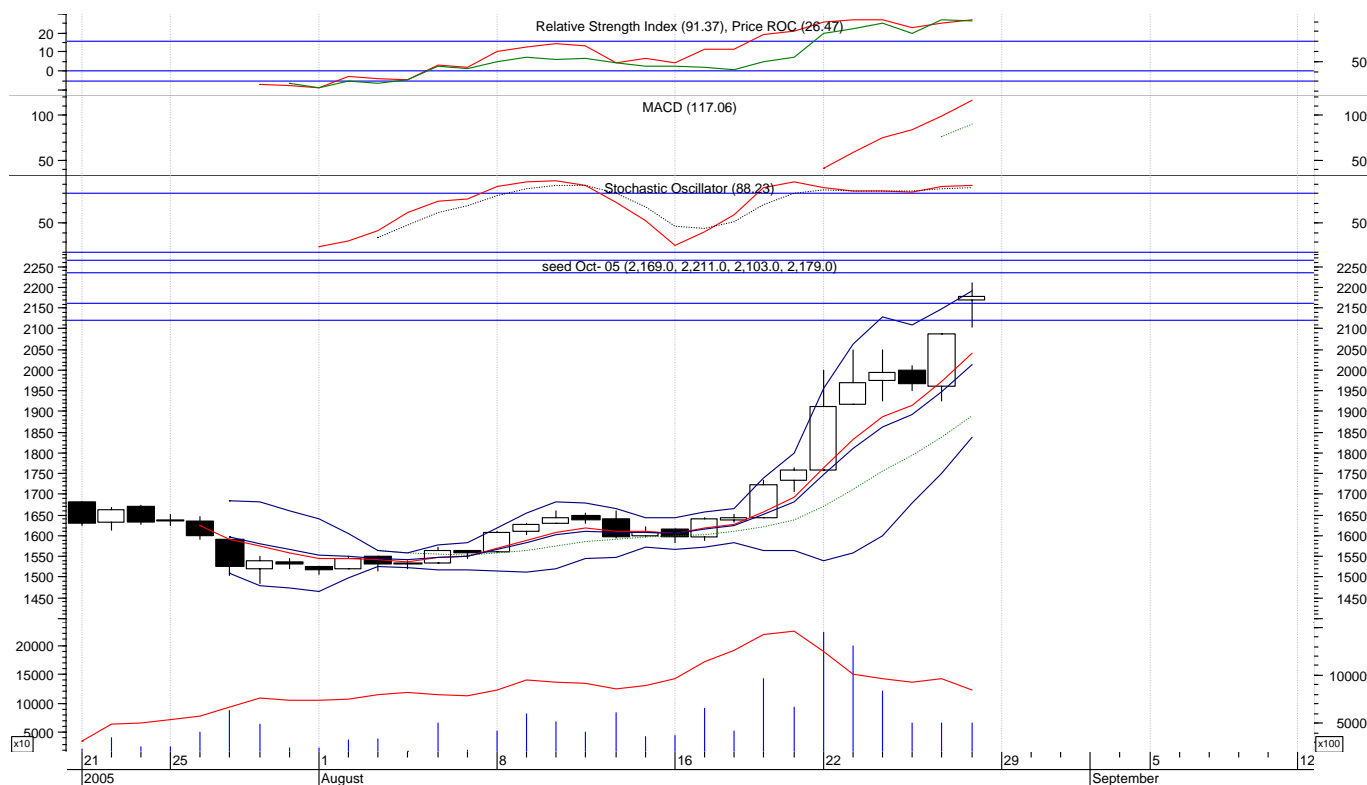
Guar seed future traded steep upward and ended firm. It is expected to open firm and trade range bound next day.

Market outlook:

- Guar seed prices are expected to open firm and trade range bound, upward initially and downward thereafter on Monday. There are chances of high fluctuation during coming days.
- Trade with very short-term outlook.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	2089	2050	2159	2184
Oct.	2161	2121	2236	2267



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

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

Stochastic: The stochastic is turning up again in overbought zone, %K line is lying above the %D line and expecting the firmness further.

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.

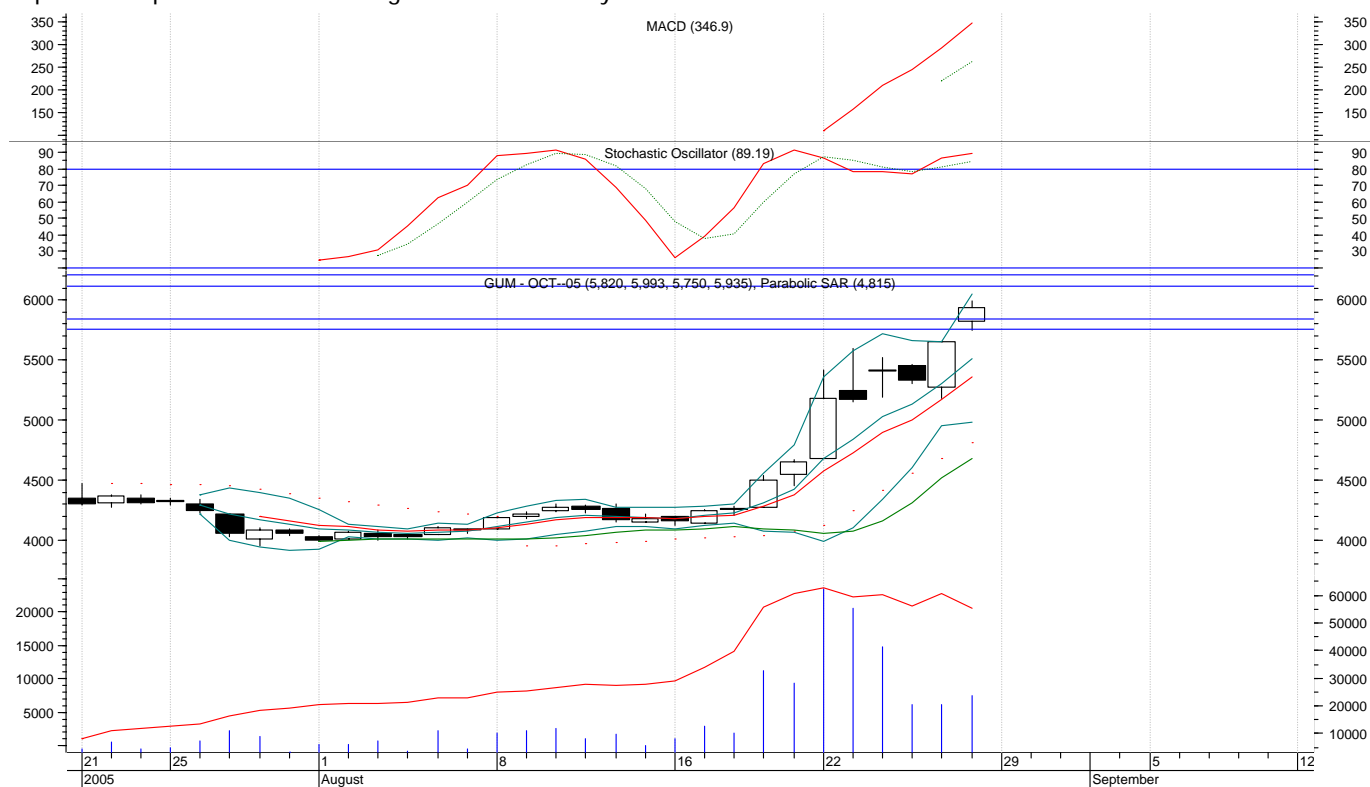
Guar gum traded steep upward and finished higher. It is expected to open firm and trade range bound on Monday.

Market outlook:

- Guar gum is expected to open firm and trade upward initially and downward thereafter due to profit booking on Monday. Large fluctuation is expected during coming days.
- Trade with very short-term outlook.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	5682	5604	5878	5974
Oct.	5844	5756	6216	6213



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX opened very firm e.g. October-05 contract of guar seed opened up by Rs.84 from previous close and trade range bound for whole day and settled at much higher ground. Cash markets stepped up and guar seed in Jodhpur market was available at Rs.2000 per quintal during evening today. Bikaner market also moved firm and guar seed was sold at Rs.2000 per quintal. Other markets also moved higher.

Very firm opening and range bound upward trade thereafter, remained the fate of guar gum futures at NCDEX today. Guar gum was sold upto Rs.5750 per quintal today morning in Jodhpur, but came down and was available at Rs.5650 per quintal during evening.

Stockists were very active in the markets of guar seed and guar gum and November-05 future contract of guar seed made a new high and surpassed the high of November-04 contract. Now the markets have become very unstable and guar prices are expected to fluctuate in wide range during next week also. Market sentiments are still firm and it could move further upward but, as the prices are reaching to new high everyday, profit booking will be witnessed at every steps and one has to be cautious at these prices.

Commodity	Centres	26.08.05	27.08.05	Change
	Bikaner	1950	2000	+50
	Ganganagar	1925	1975	+50
Guar Seed	Jodhpur-B line	2000	2025	+25
	Jodhpur-M line	1970	2000	+30
Guar Gum:		5500	5650	+150

Sallient points of the day

- Guar seed as well as guar gum continued the trend in futures as well as spot markets.
- Subdued rainfall activity is expected over NW regions of the country during next 2-3 days.
- A western disturbance as an upper air cyclonic circulation extending upto 2.1 km a.s.l. lies over north Pakistan and adjoining Jammu & Kashmir. Another upper air cyclonic circulation extending between 2.1 to 4.5 km above sea level lies over Gujarat & neighbourhood
- Prices are expected to witness upward trade initially and downward later on for next trading day.

Bikaner Guar Vayda

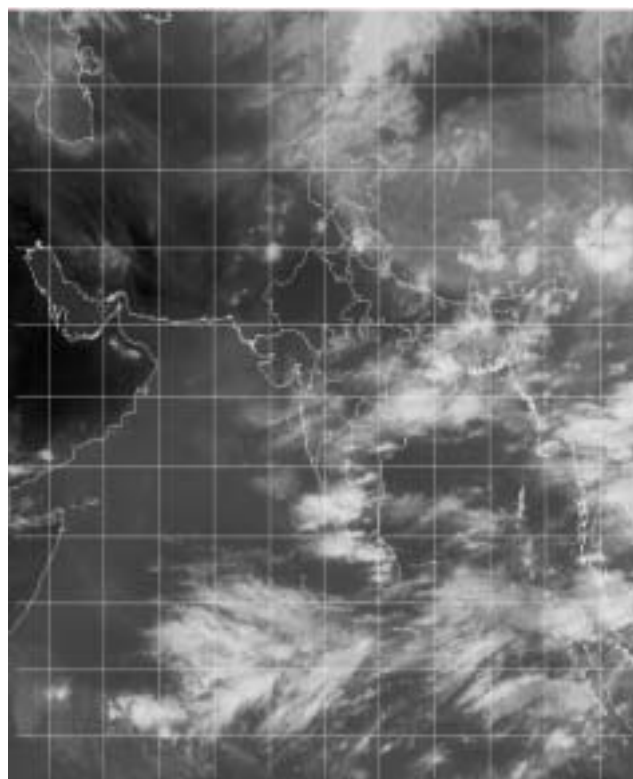
Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	349.5	350	350	+0.5

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened firm at 350 and witnessed range bound upward trade throughout the day and closed at 350, marginally firm (Rs.2..5 per quintal) from previous close.

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



WEATHER WATCH (27-08-05)

PROGRESS OF MONSOON;

The monsoon trough continues to lie close to the foothills of Himalayas. Moderate rainfall with isolated heavy falls over northeastern States and Sub-Himalayan West Bengal & Sikkim is likely to continue for another 2-3 days. Subdued rainfall activity will continue over northwest and central India. A fresh upper air cyclonic circulation extending between 1.5 & 4.5 km a.s.l. formed over Tamil Nadu & neighbourhood. This is likely to cause moderate rainfall activity over south Peninsula during next 48 hours. Another upper air cyclonic circulation extending between 2.1 to 4.5 km above sea level lies over Gujarat & neighbourhood. A western disturbance as an upper air cyclonic circulation

extending upto 2.1 km a.s.l. lies over north Pakistan and adjoining Jammu & Kashmir. Yesterday's upper air cyclonic circulation over central parts of Bay of Bengal in the mid tropospheric levels has become less marked. Southwest monsoon was active over Tamil Nadu & Pondicherry. Rain/thundershowers occurred at most places over Andaman & Nicobar islands and Arunachal Pradesh; at many places over sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya and Jammu & Kashmir and at a few places over Nagaland, Manipur, Mizoram & Tripura, Punjab, Himachal Pradesh, Gujarat Region, Konkan & Goa, south Interior Karnataka and Kerala. It was isolated over rest regions of the country outside Jharkhand, west Uttar Pradesh, Haryana, Rajasthan, east Madhya Pradesh, Telangana and Lakshadweep where weather was mainly dry.

FORECAST VALID FOR NEXT 72 HOURS

Rain/thundershowers are likely at many places over Andaman & Nicobar Islands, northeastern States, West Bengal & Sikkim, and Tamil Nadu & Pondicherry and at a few places over coastal Orissa, Uttaranchal, Himachal Pradesh, Jammu & Kashmir, Konkan & Goa, South Interior Karnataka and Kerala. It may be isolated in the rest regions of the country outside Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, north Chhattisgarh, Marathawada and Vidarbha where weather may be mainly dry.

HEAVY RAINFALL WARNING

Isolated heavy rainfall is likely over northeastern States and West Bengal & Sikkim.

Source: GOI (IMD & NCMRWF)

EXCHANGE RATE

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.62
European Union	Euro	53.62
United Kingdom	GBP	78.53
Japan	100 Yen	39.58

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