

GUAR SEED and GUAR GUM

September 16, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Extended Weakness in Spot Markets
- Guar Futures Settled Lower on Speculative Selling

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is indicating a steady opening and bearish trade, but an upward correction is likely.

Stochastic: The stochastic is moving upwards in the normal region, the %K line is above the %D line, indicating further upward movement in the next day.

MACD: The MACD (5-day) is moving down, lying below its EMA, supporting the weakness in the market.

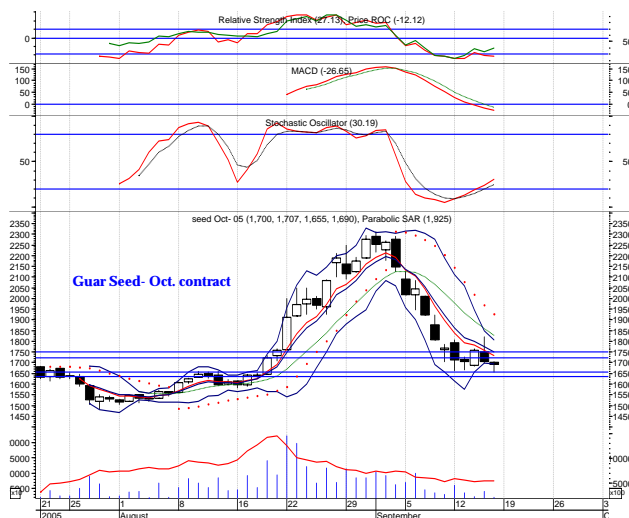
Alignment pattern: The alignment pattern of moving averages is showing that weakness prevails in the market.

Market outlook:

Guar seed futures are likely to remain bearish following a weak opening. However, an upward correction is expected tomorrow. Trade with very-short term outlook following the weather conditions.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1614	1594	1664	1682
Oct.	1656	1636	1722	1749



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

Candlestick: Formation of candlestick pattern is showing a weak opening and bearish trade, however an upward correction is likely.

Stochastic: The stochastic is moving upwards in the normal region, the %K-line is lying above the %D line, showing further uptrend in the next day.

MACD: The MACD (5-day) is lying bearishly below its EMA and moving downwards, showing weakness in the market.

Alignment pattern: The alignment pattern of moving averages is supporting the bearish sentiment.

Market outlook:

Guar gum futures are expected to remain bearish following a weak opening. However, an upward correction is likely tomorrow. Trade with a very-short term outlook keeping in mind the weather conditions.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	4312	4217	4492	4578
Oct.	4424	4350	4584	4673



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening today. The October future traded in the range of 1655.00-1707.00 during today's trade. At the spot markets also the guar seed was quoted lower at Rs 1650-1675 per quintal in Jodhpur market today. At the Bikaner market it was offered lower at Rs 1625 per quintal today, while at the Nokha market it was available at a lower price of Rs 1475 per quintal. The guar gum futures at the NCDEX also remained bearish following a weak opening today. The October future traded in the range of 4400.00-4551.00 during today's trade. At the spot markets also guar gum was offered lower at Rs 4450 per quintal in Jodhpur market today.

Amidst rains in parts of Rajasthan, Haryana and Punjab the guar prices maintained previous weakness today and slid to further lower levels. However, moderate buying support curbed some of the early losses in final action. The well marked low pressure area over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh has re-intensified into a depression and now lies today over southwest Uttar Pradesh with its center closed to Agra. Heavy to very heavy rainfall likely at a few places over Himachal Pradesh, Uttaranchal, Haryana included Delhi & Chandigarh and West Uttar Pradesh. Isolated heavy rain also likely over Rajasthan, East Uttar Pradesh, Punjab, Gujarat, Konkan & Goa and Andaman & Nicobar Islands. Under such circumstances the guar prices are likely to remain bearish following a steady opening in the next day. However, an upward correction is expected tomorrow.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	16.09.05	15.09.05	Change
Guar Seed	Bikaner	1625	1675	-50
	Jodhpur-B line	1650-1675	1700	-25
	Jodhpur-M line	1650	1675	-25
Guar Gum	Nokha	1475	1525	-50
	Jodhpur	4450	4625	-175

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	334.00	322.50	328.90	-5.10
Nov.	387.00	382.50	383.90	-3.10

Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda witnessed a bearish sentiment today following a weak opening. The September and November future finished at further lower levels today on speculative selling.

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SALIENT POINTS OF THE DAY

Guar seed and gum prices remained weak on speculative selling.

Rains in parts of Rajasthan, Haryana and Punjab.

Prices are likely to open steady and trade weak, but an upward correction is likely tomorrow.

WEATHER HIGHLIGHTS (16-09-05)

During past 24 hours, fairly widespread rainfall with heavy to very heavy rainfall have occurred over Uttar Pradesh and West Madhya Pradesh. Scattered light to moderate rainfall have also occurred over Orissa, Bihar, Jharkhand, Gujarat, Konkan & Goa, Coastal Karnataka and parts of Tamil Nadu. Yesterday's depression over northeast Arabian Sea has now weakened into a well marked low pressure area at 0830 hours IST of 16th and lies over the same area. The system is likely to move in a northerly direction.

The well marked low pressure area over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh has re-intensified into a depression and now lies today over southwest Uttar Pradesh with its center closed to Agra. The system is likely to move in a north- north northwesterly direction and weaken gradually.

Under the influence of above systems, fairly widespread rains with heavy to very heavy falls are likely over entire northwest India, Uttar Pradesh, Gujarat and Konkan & Goa.

Under the influence of upper air circulation, a low pressure area has formed over East Central Bay of Bengal. Associated cyclonic circulation extends upto mid-tropospheric levels. System is likely become more marked and moves in west-northwesterly direction and may cause heavy to very heavy rainfall over Orissa and Coastal Andhra Pradesh after 18th.

Cloud Cover today (IMD):

