

GUAR SEED and GUAR GUM

September 10, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Weak in Spot Markets
- Guar Futures Traded Bearishly Today

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing a weak opening and slight downtrend initially followed by a range bound upward movement thereafter on Monday.

Stochastic: The stochastic is moving downwards in oversold region, %K line is lying below %D line, expecting slight downward move further but an upward technical correction is likely.

MACD: The MACD (5-day) is moving down, lying below its EMA in positive region, showing weakness in the prices.

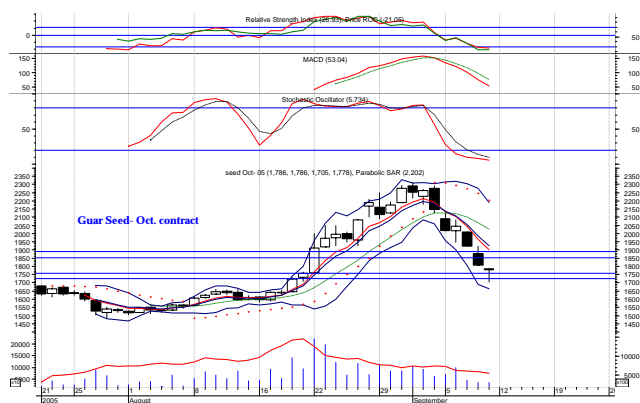
Alignment pattern: The alignment pattern of moving averages is showing the weakness in the market.

Market outlook:

Guar seed futures are expected to open weaker and trade slight downwards initially, but likely to witness a range bound upward movement thereafter. 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.	1687	1657	1738	1771
Oct.	1758	1725	1851	1890



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

Candlestick: Formation of Candlestick pattern is showing a weak opening and marginal downtrend at the early hours of trade. However, a range bound trade with moderate uptrend is likely thereafter.

Stochastic: The stochastic is moving downwards in oversold region, %K-line is lying below the %D line and showing the weakness.

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

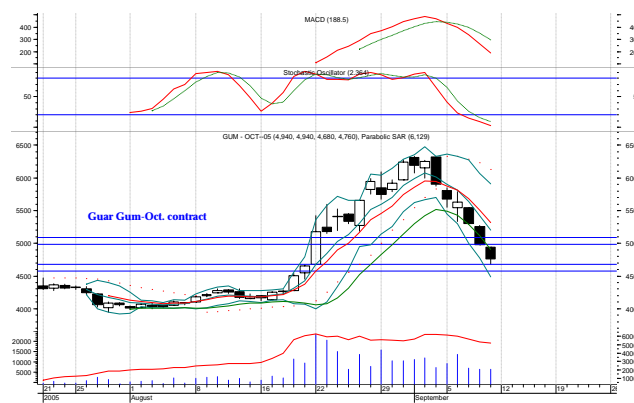
Alignment pattern: The alignment pattern of moving averages is indicating further weakness in the market.

Market outlook:

Guar gum futures are likely to open weaker and trade slight downwards initially, but expected to remain range bound with an upward movement thereafter. 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.	4578	4475	4784	4869
Oct.	4677	4571	4984	5089



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at the NCDEX traded with a bearish sentiment after a weak opening at the early hours of trade. However, the futures curbed some of the early losses in late action. The October future traded in the range of 1705-1786 today. At the spot market also the guar seed was quoted at Rs 1750 per quintal in Jodhpur market during the evening today. At the Bikaner market the guar seed was offered at Rs 1700 per quintal. The guar gum futures at the NCDEX also traded with a similar sentiment. However, at the Jodhpur market it was quoted at Rs 4750 per quintal today.

During the last 24 hours moderate rainfall occurred at many places in Punjab, Haryana and parts of Rajasthan. The weather concerns have underpinned the downward movement of both the guar seed and guar gum futures at the NCDEX. The cyclonic circulation over central Pakistan and adjoining northwest Rajasthan now lies over Punjab and adjoining north Rajasthan. The other upper air cyclonic circulation over north Pakistan and adjoining Jammu & Kashmir has merged with the above system. Under this scenario scattered moderate rainfall likely to continue for another 24 hours over northwest India. Under such circumstances the futures are likely to witness a slight downtrend at the initial hours of trade, but likely to get support and trade range bound with a moderate uptrend thereafter.

Commodity	Centres	09.09.05	10.09.05	Change
Guar Seed	Bikaner	1700	1700	-
	Jodhpur-B line	1750	1750	-
	Jodhpur-M line	1725	1725	-
	Nokha	1650	1550	-100
Guar Gum:		4700-4750	4750	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	342.5	336.0	338.9	-3.6
Nov.	424.9	417.4	417.4	-7.5

Price movements at Bikaner Vayda

The Bikaner September and November vayda traded weakly after a lower opening today. The vayda closed at the lower levels today.

SALIENT POINTS OF THE DAY

Guar seed as well as guar gum prices remained weak.

Cloudy weather in Parts of Rajasthan, Haryana and Punjab.

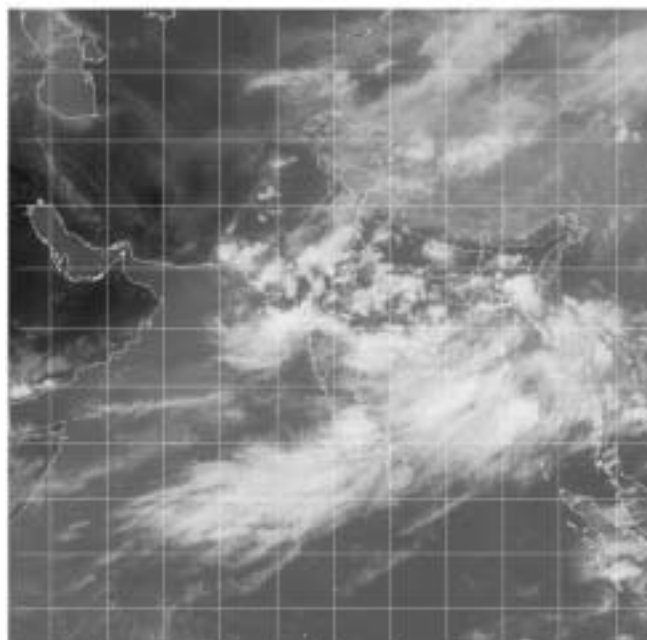
Prices are likely to open weaker, slight downtrend initially and range bound upward thereafter.

WEATHER HIGHLIGHTS (10-09-05)

The cyclonic circulation over central Pakistan and adjoining northwest Rajasthan now lies over Punjab and adjoining north Rajasthan and extends upto 3.1 km a.s.l. The other upper air cyclonic circulation extending upto 2.1 km a.s.l. over north Pakistan and adjoining Jammu & Kashmir has merged with the above system. Under this scenario scattered moderate rainfall likely to continue for another 24 hours over northwest India outside Uttar Pradesh where rainfall is likely to remain subdued.

Model prediction suggests development of a fresh Low Pressure Area in the Bay of Bengal off Orissa-Andhra Coast around 13th September, 2005 through the movement of the remnant of a low pressure system from South China Sea. With this development, the rainfall activity over East Central and North Peninsular India may further increase after 13th September.

Cloud Cover today (IMD):



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