

GUAR SEED and GUAR GUM

September 17, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remain Bearish in Spot Markets
- Guar Futures Maintained Bearish Sentiment Today

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing a bearish trade following a weak opening in the next trading day.

Stochastic: The stochastic is moving downwards, the %K line after cutting the %D line from above moving downwards in the oversold region, indicating further downward movement in the next day.

MACD: The MACD (5-day) is moving down, lying below its EMA, indicating a bearish sentiment in the market.

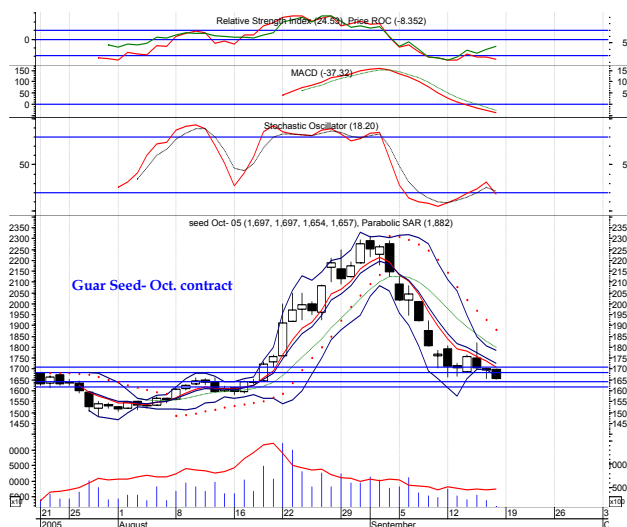
Alignment pattern: The alignment pattern of moving averages is supporting the weakness in the market.

Market outlook:

Guar seed futures are likely to extend the bearish sentiment following a weak opening in the next day. 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. | 1579 | 1559 | 1609 | 1632 |
| Oct. | 1642 | 1617 | 1683 | 1708 |



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

Candlestick: Formation of candlestick pattern is indicating a bearish trade following a weak opening in the next day.

Stochastic: The stochastic is moving downwards, the %K line after cutting the %D line from above moving downwards in the oversold region, showing further downtrend in the next day.

MACD: The MACD (5-day) is lying bearishly below its EMA and moving downwards, indicating further weakness.

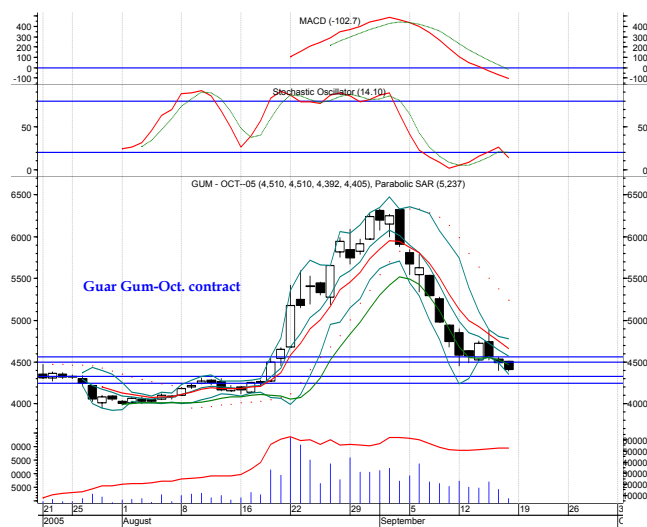
Alignment pattern: The alignment pattern of moving averages is also supporting the bearish sentiment.

Market outlook:

Guar gum futures are expected to remain bearish following a weak opening in the next trading day. 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. | 4234 | 4149 | 4329 | 4398 |
| Oct. | 4326 | 4244 | 4495 | 4558 |



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX traded bearishly following a steady opening today. However, the futures remained almost within yesterday's range. The October future traded in the range of 1654.00-1697.00 during today's trade. At the spot markets the guar seed was quoted lower at Rs 1650 per quintal in Jodhpur market today. At the Bikaner market it was quoted lower at Rs 1600 per quintal today, while at the Nokha market it was offered lower at Rs 1450-1475 per quintal. The guar gum futures at the NCDEX also traded with a bearish sentiment following a steady opening today. The October future traded in the range of 4392.00-4510.00 during today's trade. At the spot markets guar gum was quoted at Rs 4450 per quintal in Jodhpur market today.

Amidst rains in guar growing regions of Rajasthan for the last few days the guar prices remained weak on anticipation of a better than expected lower crop in this year. Speculative-led selling pressurised the prices in both the physical and futures market today. Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar Pradesh and neighbourhood. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. It will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa. Under such circumstances the guar prices are expected to remain weak in the next trading day. However, an upward correction is likely in the near future.

Guar Prices at Major Markets in Rajasthan

| (Rs./quintal) | | | | |
|---------------|----------------|-----------|-----------|--------|
| Commodity | Centres | 17.09.05 | 16.09.05 | Change |
| Guar Seed | Bikaner | 1600 | 1625 | -25 |
| | Jodhpur-B line | 1650 | 1650-1675 | -25 |
| | Jodhpur-M line | 1625 | 1650 | -25 |
| | Nokha | 1450-1475 | 1475 | -25 |
| Guar Gum | Jodhpur | 4450 | 4450 | - |

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open | Close | Change |
|----------|-------------|--------|--------|--------|
| Sep. | 328.90 | 325.80 | 321.00 | -7.90 |
| Nov. | 383.90 | 382.30 | 380.00 | -3.90 |

Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda extended previous weakness following a weak opening today. The September

and November future settled lower on speculative selling pressure.

SALIENT POINTS OF THE DAY

Guar seed and gum prices remained weak on speculative selling.

Cloudy weather in parts of Rajasthan, Haryana and Punjab.

Prices are likely to remain bearish after a weak opening.

WEATHER HIGHLIGHTS (17-09-05)

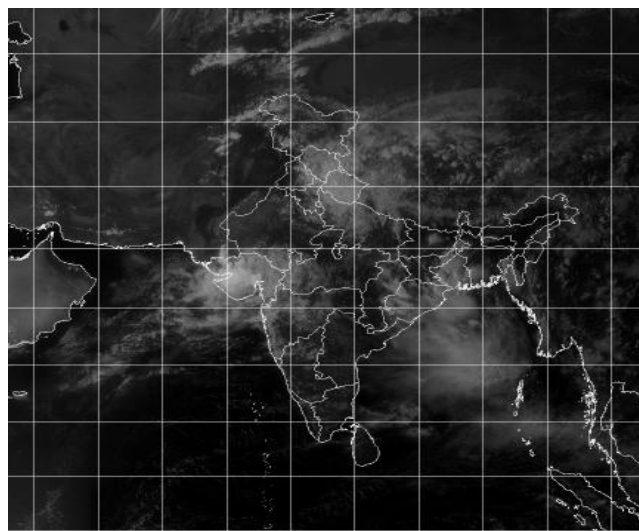
During past 24 hours, widespread rains with isolated heavy falls have occurred over Uttar Pradesh, Haryana, Delhi, Uttaranchal, Gujarat, Konkan & Goa, and Andaman & Nicobar Islands.

Yesterday's depression over southwest Uttar Pradesh has weakened into a low pressure area over West Uttar Pradesh and neighbourhood. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. Under this scenario the prevailing rainfall activity over plains of northwest India is likely to decrease considerably from today evening. However, enhanced rainfall will continue over Uttaranchal and Himachal Pradesh during next 24 hours.

Yesterday's well marked low pressure area over northeast Arabian Sea has moved northwards and weakened into a low pressure area and now lies over Gujarat state. Its associated upper air cyclonic circulation extends upto mid-tropospheric levels. It will cause moderate rains with isolated heavy falls over Gujarat and Konkan & Goa.

The low pressure area over East Central Bay of Bengal has concentrated into a depression and now lies over northeast Bay of Bengal near Lat. 20° N and Long. 90.5° E with its centre about 400 km of southeast of Balasore. The system is likely to intensify further and move in west-northwesterly direction. This may cause heavy to very heavy rainfall over Orissa and Gangetic West Bengal during next 2-3 days.

Cloud Cover today (IMD):



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