

GUAR SEED and GUAR GUM

September 20, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Recovered Slightly Today
- Guar Futures Settled Higher Amidst Range Bound Trade

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is indicating a slight uptrend following a steady opening initially and range bound downtrend thereafter.

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

MACD: The MACD (5-day) is moving downwards and lying bearishly below its EMA, supporting the weak sentiment.

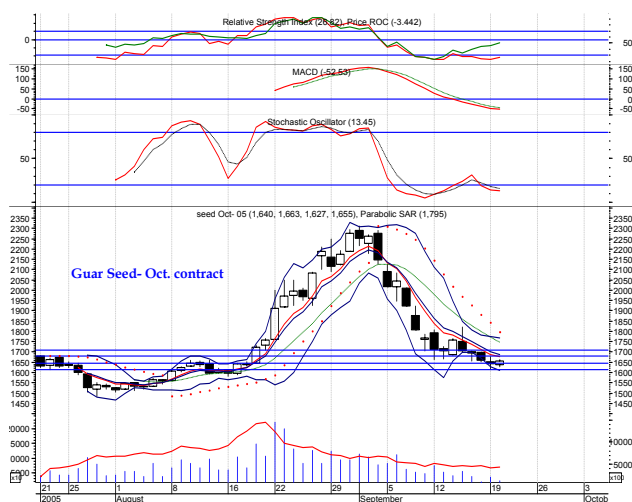
Alignment pattern: The alignment pattern of moving averages is hinting further weakness in the market.

Market outlook:

Guar seed futures are likely to trade slight upwards following a steady opening and range bound downward thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1645	1614	1680	1708
Nov.	1683	1655	1719	1741



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

Candlestick: Formation of candlestick pattern is showing slight uptrend following a steady opening initially and range bound downtrend thereafter.

Stochastic: The stochastic is moving downwards, the %K-line is below the %D line and moving slightly upwards in the oversold region, showing some recovery in the market.

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

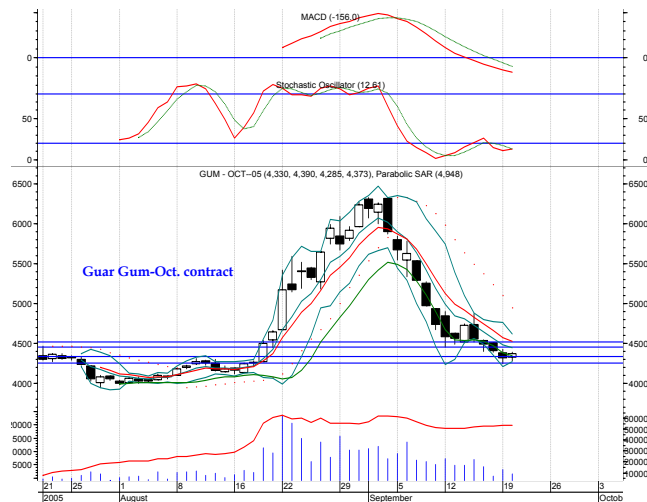
Alignment pattern: The alignment pattern of moving averages is also supporting the bearish sentiment.

Market outlook:

Guar gum futures are likely to trade slight upwards following a steady opening and range bound downward thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4342	4261	4454	4526
Nov.	4429	4339	4537	4618



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX traded range bound with a slight uptrend following a steady opening today. The October future traded in the range of 1627.00-1663.00 today. At the spot markets guar seed was quoted higher at Rs 1650 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at Rs 1600 per quintal today, while at the Nokha market it was available at Rs 1500 per quintal. The guar gum futures at the NCDEX also traded range bound with a slight uptrend after a steady opening today. The October future traded in the range of 4285.00-4390.00 today. At the spot markets guar gum was offered at a higher price of Rs 4450 per quintal in Jodhpur market at the evening session of trade.

The guar market sentiments remained bearish on a better than expected lower crop estimates for the last few days. However, some buying support at the lower price levels pushed up the prices slightly during today's trade. The upper air cyclonic circulation over Uttaranchal and adjoining Himachal Pradesh has become less marked. Rain/thundershowers likely at many places over Gujarat Region and Maharashtra; at a few places over the rest region outside Rajasthan where it may be isolated. Under such circumstances the guar prices are likely to witness slight uptrend following a steady opening and remain bearish thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	20.09.05	19.09.05	Change
Guar Seed	Bikaner	1600	1600	-
	Jodhpur-B line	1650	1600-1625	+50
	Jodhpur-M line	1625	1600	+25
	Nokha	1500	1400	+100
Guar Gum	Jodhpur	4450	4350	+100

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	318.60	317.30	317.60	-1.00
Nov.	378.70	378.30	377.80	-0.90

Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda remained marginally weak today. The September and November future settled slightly lower today as against yesterday's close after curbing some of the early losses in final action.

SALIENT POINTS OF THE DAY

Guar seed and gum prices recovered slightly on moderate buying support.

Light rainfalls in Gujarat, improved weather in Rajasthan.

Prices are likely to witness slight uptrend after a steady opening, but expected to remain bearish thereafter.

WEATHER HIGHLIGHTS (20-09-05)

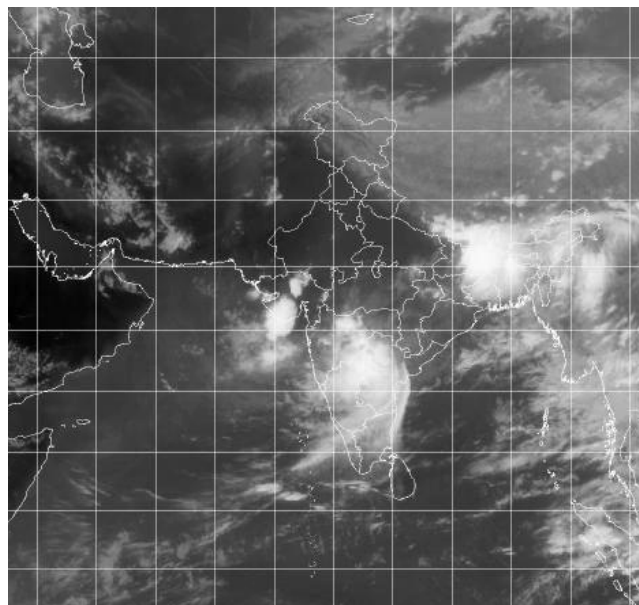
During past 24 hours, heavy to very heavy rainfall has occurred over Coastal Andhra Pradesh. Scattered light to moderate rainfall have also occurred over Orissa, Jharkhand, interior Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh.

Yesterday's cyclonic storm over north Coastal Andhra Pradesh moved slightly westwards and weakened into deep depression with its centre at 0230 hours IST of 20th near Lat. 18.5° N/ Long. 83.0 °E about 100 km west of Kalingapatnam. It now lies centered at 0830 hours IST of 20th near Lat. 19.0° N/ Long. 82.5 °E near Jagdalpur. The system is likely to move west-northwesterly direction and weaken further. Under its influence widespread rainfall with heavy to very heavy falls at a few places is likely over Andhra Pradesh, Coastal & North Interior Karnataka and south Chhattisgarh during next 24 hours. The belt of heavy rainfall may gradually shift northwestwards into Maharashtra and South Gujarat Region.

The upper air cyclonic circulation over Uttaranchal and adjoining Himachal Pradesh has become less marked.

Rain/thundershowers likely at many places over Gujarat Region and Maharashtra; at a few places over the rest region outside Rajasthan where it may be isolated.

Cloud Cover today (IMD):



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