

GUAR SEED and GUAR GUM

September 22, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Weak at Spot Markets
- Guar Futures Slid Further on Speculative Selling

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is indicating a bearish trade following a weak opening initially and marginal uptrend thereafter.

Stochastic: The stochastic is still moving upwards, the %K line after cutting the %D line from below moving upwards in the normal region, showing further upward 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 also supporting the weakness in the market.

Market outlook:

Guar seed futures are likely to trade downwards following a weak opening and range bound upward thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1554	1529	1601	1626
Nov.	1581	1561	1649	1673



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

Candlestick: Formation of candlestick pattern is showing a bearish trade following a weak opening initially and range bound upward movement thereafter.

Stochastic: The stochastic is moving upwards, the %K-line after cutting the %D line from below moving horizontally in the oversold region, showing weakness in the market.

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

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

Market outlook:

Guar gum futures are likely to trade downwards following a weak opening and range bound upward thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4095	4008	4225	4299
Nov.	4161	4101	4320	4393



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a highly bearish sentiment following a slightly weak opening today. The October future traded in the range of 1546.00-1640.00 today. At the spot markets also guar seed was quoted lower at Rs 1600-1615 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered lower at Rs 1575 per quintal today, while at the Nokha market it was available at Rs 1425-1430 per quintal. The guar gum futures at the NCDEX also witnessed a highly bearish sentiment following a weak opening today. The October future traded in the range of 4094.00-4321.00 today. At the spot markets also guar gum was quoted lower at Rs 4225-4250 per quintal in Jodhpur market at the evening session of trade.

Amidst cloudy weather in parts of Rajasthan and rainfalls in Gujarat, the guar market sentiments extended the previous weakness today. The prices went down significantly on heavy speculative selling pressure. Moreover, a better crop expectation in this year has underpinned the downward movement in the guar prices. Rain/thundershowers likely at most places over Konkan & Goa, north Madhya Maharashtra and south Gujarat; at many places over south Madhya Maharashtra, north Gujarat and West Madhya Pradesh and at a few places over the rest region outside West Rajasthan where it may be isolated. Increase is likely over West Madhya Pradesh and East Rajasthan; and decrease over south Madhya Maharashtra after 24 hours. Under such circumstances the guar prices are likely to remain bearish with possibility of an upward correction in the next day.

Guar Prices at Major Markets in Rajasthan

		(Rs./quintal)		
Commodity	Centres	22.09.05	21.09.05	Change
Guar Seed	Bikaner	1575	1620-1625	-50
	Jodhpur-B line	1600-1615	1650-1675	-75
	Jodhpur-M line	1575	1650	-75
	Nokha	1425-1430	1500	-75
Guar Gum	Jodhpur	4225-4250	4450-4475	-250

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	377.30	373.50	370.80	-6.50

Price Movements at Bikaner Vayda

The guar future at the Bikaner vayda traded with a bearish sentiment following a weak opening today. The November future settled lower on increased selling pressure throughout the day.

SALIENT POINTS OF THE DAY

Guar seed and gum prices slid heavily on speculative selling.

Rainfalls in Gujarat, cloudy weather in parts of Rajasthan.

Prices are likely to remain weak with possibility of an upward correction.

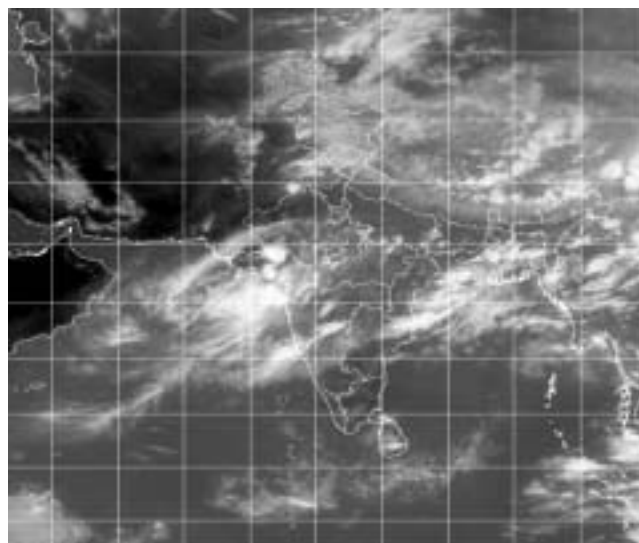
WEATHER HIGHLIGHTS (22-09-05)

During past 24 hours, fairly widespread rains with heavy to very heavy rainfall at a few places have occurred over Konkan & Goa, Madhya Maharashtra, Gujarat region and north Karnataka. Scattered light to moderate rainfall have also occurred over northeastern States and Sub-Himalayan West Bengal & Sikkim, Orissa, Himachal Pradesh, Uttaranchal, Haryana, Madhya Pradesh, Marathwada and Vidarbha.

Yesterday's depression over Vidarbha close to Buldana moved west northwestwards and lay close to Jalgaon in north Madhya Maharashtra. It has now weakened into a well marked low pressure area and lies over north Madhya Maharashtra and neighbourhood. The associated upper air cyclonic circulation extends upto mid-tropospheric levels tilting southwestwards with height. The system is likely to move northwestwards for another 24 hours and then may move north-northeastwards. Under its influence widespread rainfall with heavy to very heavy falls at a few places is likely over Konkan & Goa, Madhya Maharashtra and south Gujarat during next two days. Subsequently the rainfall activity likely to increase over north Gujarat, West Madhya Pradesh and east Rajasthan.

A western disturbance as an upper air system lies over north Pakistan and neighbourhood. Under its influence scattered to fairly widespread rains are likely over Western Himalayan region and adjoining Plains during next 2-3 days.

Cloud Cover today (IMD):



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