

GUAR SEED and GUAR GUM

September 09, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum continued the downfall
- Guar vayda fell to circuit level

TECHNICAL ANALYSIS

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

Candlestick: Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Saturday.

Stochastic: The stochastic is moving in oversold region, %K line is lying below %D line and moving horizontally, expecting slight downward move further but technical correction towards higher side is also expected.

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

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

Market outlook:

Guar seed prices are expected to open weaker and trade downward initially and range bound upward thereafter on Saturday. Trade with very short-term outlook keeping in mind the weather conditions.

Support and Resistance level for Guar Seed :

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	1664	1629	1738	1757
Oct.	1749	1706	1826	1857



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

Candlestick: Formation of Candlestick pattern is indicating towards weaker opening and range bound trade on Saturday.

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

MACD: The MACD (5-day), is moving downward, now lying below its EMA, giving slight indication of weaker prices next day.

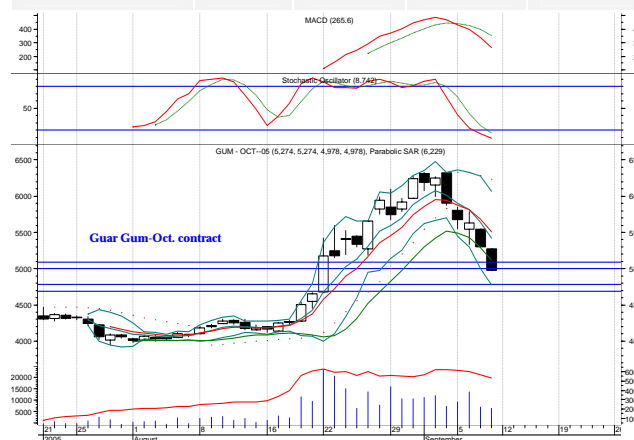
Alignment pattern: The alignment pattern of moving average hinting towards downward movement.

Market outlook:

Guar gum is expected to open weaker, move downward initially and range bound upward thereafter. Trade with short-term outlook keeping in mind the weather conditions.

Support and Resistance level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Sept.	4613	4523	4829	4895
Oct.	4787	4689	5001	5089



MARKET COMMENTARY OF MAJOR MARKETS

Amid good rains in Rajasthan, guar seed futures at NCDEX, continued moving towards lower circuit today also and closed to lowest level of the day. Physical markets also slipped down and guar seed was available at Rs.1750 per quintal in Jodhpur market during evening today. Bikaner market witnessed the price of guar seed to Rs.1700-25 per quintal. Other markets also fell down. Guar gum witnessed similar sentiments and all the future contracts of guar gum fell to circuit level. In Jodhpur market, guar gum was sold at Rs.4700-50 pr quintal during late evening.

Fairly widespread rainfall was witnessed over most of the parts of Rajasthan, Haryana and Punjab during last 24 hours that led the prices of guar seed and guar gum to touch the lower circuit level at NCDEX. The cyclonic circulation over central Pakistan and adjoining northwest Rajasthan persists since last three days and now a new upper air cyclonic circulation lies over north Pakistan and adjoining Jammu & Kashmir. These are likely to cause scattered to fairly widespread rainfall over north west India during coming days. Under these circumstances rains in western Rajasthan will further push the prices downward tomorrow morning also but they are expected to witness slight support and move range bound marginally higher thereafter.

Commodity	Centres	08.09.05	09.09.05	Change
	Bikaner	1800	1700	-100
Guar Seed	Jodhpur-B line	1850-75	1750	-125
	Jodhpur-M line	1850	1725	-125
	Nokha	1750	1650	-100
Guar Gum:		5100	4700	-400

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	350.2	344.2	342.5	-7.7
Nov.	432.4	424.9	424.9	-7.5

Price movements at Bikaner Vayda

Bikaner September and November guar vayda today opened weaker and circuit closed towards lower level.

Salient points of the day

Guar seed as well as guar gum prices fell to circuit level.

Good rains in parts of Rajasthan. Cloudy and rainy weather in Rajasthan, Haryana and Punjab.

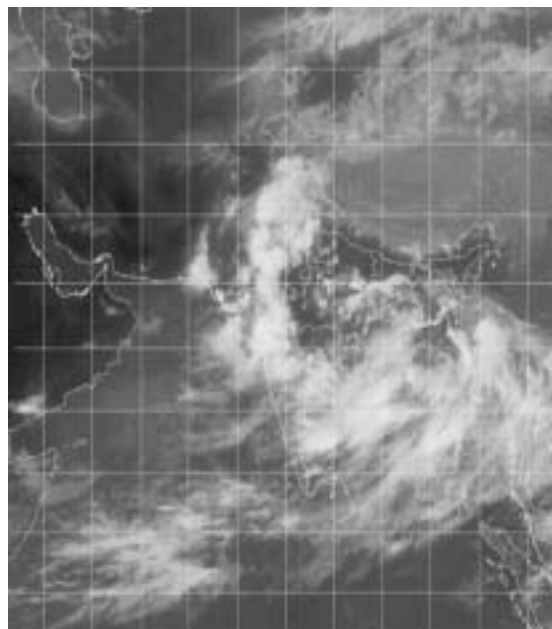
Prices are expected to open weaker and witness range bound downward trade initially and upward later on.

WEATHER HIGHLIGHTS (09-09-05)

The western disturbance as a cyclonic circulation persists over central Pakistan and adjoining northwest Rajasthan persists extending upto 1.5 km a.s.l. Another upper air cyclonic circulation extending upto 2.1 km a.s.l. lies over north Pakistan and adjoining Jammu & Kashmir. They are also likely to cause scattered to fairly widespread rainfall over north west India.

Model prediction from NCMRWF indicates towards development of a fresh Low Pressure Area in the Bay of Bengal off Orissa-Andhra Coast around 13th September, 2005 caused by the movement of the remnant of a low pressure system from South China Sea.

Cloud Cover at 9:30 pm today (IMD):



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