

GUAR SEED and GUAR GUM

September 06, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum traded range bound
- Guar vayda recovered after steep downfall

TECHNICAL ANALYSIS

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

Candlestick: Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Thursday.

Stochastic: The stochastic has reached to oversold region, %K line is lying below %D line now expecting slight technical correction towards higher side in the market.

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

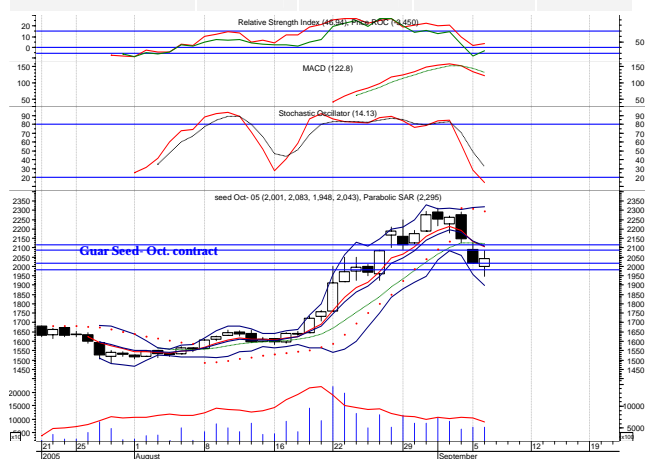
Alignment pattern: The alignment pattern of moving averages is confirming the weakness in the market.

Market outlook:

Guar seed prices are expected to open firm and trade marginally downward initially and upward thereafter on Thursday. 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.	1923	1901	1990	2016
Oct.	2016	1981	2087	2116



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

Candlestick: Formation of Candlestick pattern is indicating towards firm opening and range bound trade on Thursday.

Stochastic: The stochastic has reached to 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.

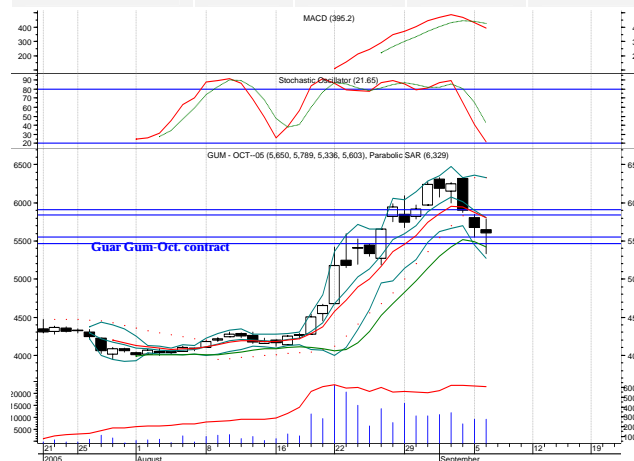
Alignment pattern: The alignment pattern of moving average is not confirming the moves.

Market outlook:

Guar gum is expected to open firm, move range bound downward initially and 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.	5394	5313	5636	5701
Oct.	5554	5468	5841	5913



MARKET COMMENTARY OF MAJOR MARKETS

Guar seed futures at NCDEX witnessed large fluctuation in both ways when it opened weaker, traded upward initially, steeply downward in the middle and upward again towards the end of the day. Following this, physical markets witnessed range bound trade and in Jodhpur market, guar seed was available at Rs.1925-50 per quintal. Bikaner, Nokha and other markets also traded on similar pattern. Guar gum futures at NCDEX recovered to good extent after it fell steeply during midday. Following this, guar gum in cash markets witnessed large fluctuation and it was available in the range of Rs.5200-5450 per quintal in Jodhpur today.

It was relatively clear weather in western Rajasthan today morning, which led the prices to start moving upward initially but slipped steeply down amid speculative selling during midday and picked the pace again towards the end. According to latest weather forecasts from IMD, there are slight chances of isolated rains in Haryana, Punjab, Rajasthan, Shaurashtra and Kutchh during next 3-4 days, and if rains actually in guar growing areas, prices would slip down otherwise it will see the higher movement again during coming days.

Commodity	Centres	05.09.05	05.09.05	Change
Guar Seed	Bikaner	1900	1875	-25
	Jodhpur-B line	1925-50	1925-50	0
	Jodhpur-M line	1925	1900-25	0
	Nokha	1850	1850	0
Guar Gum:		5350	5400	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	350.6	350.1	350.2	-0.4
Nov.	439.9	432.4	432.4	-7.5

Price movements at Bikaner Vayda

Bikaner September guar vayda today opened weaker, witnessed range bound trade and closed marginally lower. November yavda opened weaker, fell down, recovered later on and closed much lower than previous close.

Salient points of the day

Guar seed as well as guar gum prices recovered after steep downfall during midday.

Partly cloudy weather in parts of Rajasthan, good clouds in M.P. and Gujarat.

Southwest monsoon has withdrawn from parts of West Rajasthan.

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

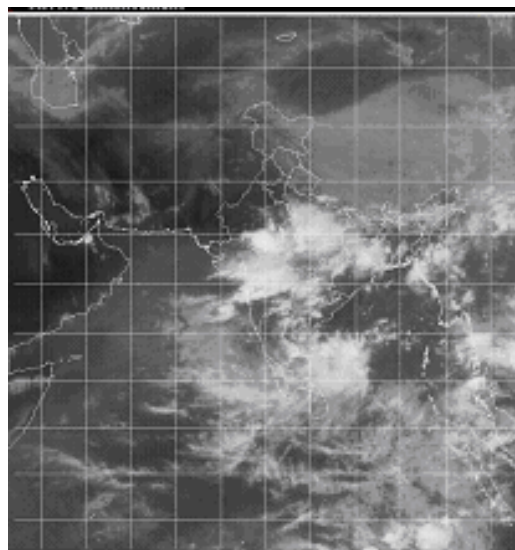
WEATHER HIGHLIGHTS (06-09-05)

A low pressure area has formed over central parts of south Bay of Bengal. The rainfall activity over Andhra Pradesh and Tamil Nadu is likely to increase after 7th Sep.

A cyclonic circulation lies over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh and extends upto 2.1 Km. a.s.l.

Rain/thundershowers are likely at many places over Northeastern States, sub-Himalayan West Bengal & Sikkim, Bihar, Jharkhand, east Madhya Pradesh, Chhattisgarh, east Uttar Pradesh, Uttaranchal, Konkan & Goa, Tamil Nadu & Pondicherry, coastal Karnataka, Kerala and Lakshadweep and at a few places over rest regions of the country outside Gangetic West Bengal, Orissa, Haryana, Punjab, Jammu & Kashmir, Rajasthan, Saurashtra & Kutch, Marathwada and Vidarbha where it may be isolated.

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



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