

GUAR SEED and GUAR GUM

September 15, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Weak in Spot Markets
- Profit Booking Pulled Down Guar Futures

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is indicating a downward movement initially following a weak opening and range bound uptrend thereafter.

Stochastic: The stochastic is moving upwards in the normal region, the %K line after cutting the %D line from below moving upwards, showing further uptrend in the next day.

MACD: The MACD (5-day) is moving down, lying below its EMA, supporting the weakness in the market.

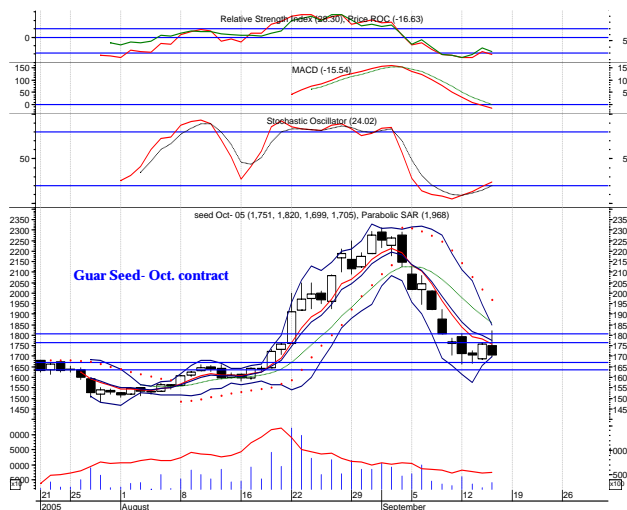
Alignment pattern: The alignment pattern of moving averages is indicating further weakness in the market.

Market outlook:

Guar seed futures are likely to move downwards initially following a weak opening and range bound uptrend thereafter. 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.	1614	1584	1682	1709
Oct.	1669	1636	1766	1807



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

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

Stochastic: The stochastic is moving upwards in the normal region, the %K-line after cutting the %D line from below moving upwards, indicating further uptrend in the next day.

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

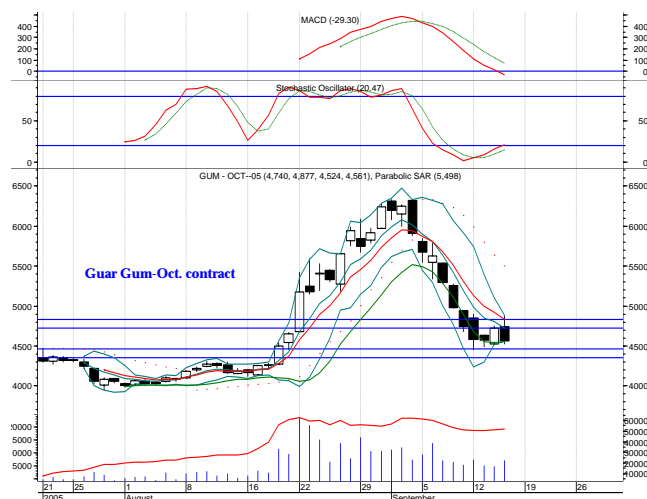
Alignment pattern: The alignment pattern of moving averages is indicating that weakness prevails in the market.

Market outlook:

Guar gum futures are expected to move downwards initially following a weak opening and trade range bound upward thereafter. 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.	4372	4277	4578	4655
Oct.	4464	4358	4723	4836



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX extended previous day's advances at the early hours of trade following a firm opening. However, profit booking pulled down the futures thereafter. The October future traded in the range of 1699-1820 during today's trade. At the spot markets also the guar seed was offered lower at Rs 1700 per quintal in Jodhpur market in the evening session of trade. At the Bikaner market it was quoted lower at Rs 1675 per quintal today, while at the Nokha market it was available at a lower price of Rs 1525 per quintal. The guar gum futures at the NCDEX followed the same sentiment. The October future traded in the range of 4524-4877 during today's trade. At the spot market guar gum was quoted at Rs 4625 per quintal in Jodhpur market at the evening session of trade.

Amidst rains in parts of Rajasthan, Haryana and Punjab the guar prices failed to extend previous day's advances and slid to lower level. Yesterday's well marked low pressure area over East Madhya Pradesh & neighbourhood now lies over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh. Under the influence of above systems, fairly widespread rains with heavy to very heavy falls are likely over Madhya Pradesh, south Uttar Pradesh, Vidarbha and East Rajasthan for next 2 days. Under such circumstances the guar prices are expected to trade downward following a weak opening, but likely to move range bound upward thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	15.09.05	14.09.05	Change
Guar Seed	Bikaner	1675	1725	-50
	Jodhpur-B line	1700	1725	-25
	Jodhpur-M line	1675	1700	-25
	Nokha	1525	1550	-25
Guar Gum	Jodhpur	4625	4650-4700	-75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Sep.	336.00	340.00	334.00	-2.00
Nov.	390.20	392.00	387.00	-3.20

Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda remained strong after a firm opening, but ran into more selling pressure. The September and November future finished at a lower level today on profit booking.

SALIENT POINTS OF THE DAY

Guar seed and gum prices failed to extend earlier gains on profit taking.

Rains in parts of Rajasthan, Haryana and Punjab.

Prices are likely to open weak, trade downward initially and range bound upward thereafter.

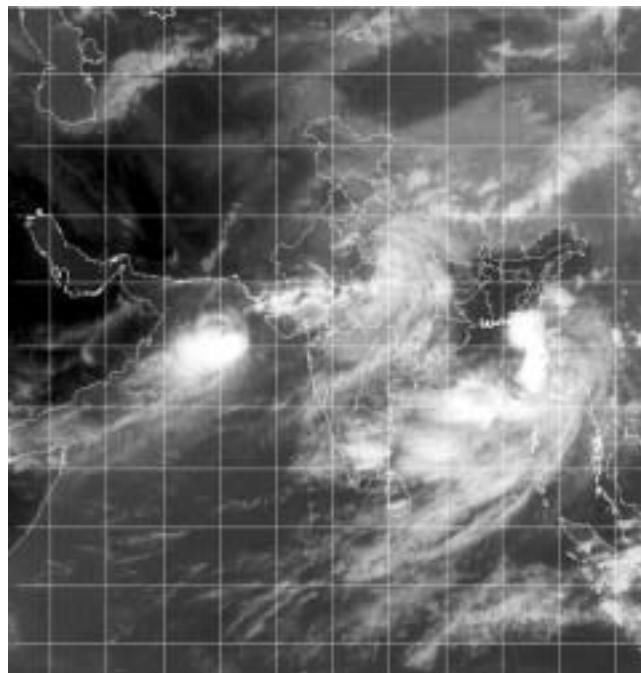
WEATHER HIGHLIGHTS (15-09-05)

During past 24 hours, fairly widespread rainfall with heavy to very heavy rainfall have occurred over Madhya Pradesh, Orissa and Vidarbha. Scattered light to moderate rainfall has also occurred over remaining parts of India outside northeastern States, Andhra Pradesh, Tamil Nadu and interior Karnataka. Yesterday's depression over northeast Arabian Sea remained practically stationery with its centre near Lat. 20.5° N/ Long. 68° E about 250 km west-southwest of Veraval. The system is likely to move in a west-northwesterly direction slowly.

The well marked low pressure area over East Madhya Pradesh & neighbourhood now lies over northwest Madhya Pradesh and adjoining southwest Uttar Pradesh. Associated upper air cyclonic circulation extends upto mid tropospheric levels. The system is likely to move in a northwesterly direction and weaken further.

Under the influence of above systems, fairly widespread rains with heavy to very heavy falls are likely over Madhya Pradesh, south Uttar Pradesh, Vidarbha and East Rajasthan for next 2 days.

Cloud Cover today (IMD):



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