

GUAR SEED and GUAR GUM

September 21, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Higher at Spot Markets
- Guar Futures Settled Lower on Speculative Selling

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlestick is showing downtrend following a steady 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 oversold region, showing further upward movement.

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

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

Market outlook:

Guar seed futures are likely to trade downwards following a steady 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.	1615	1592	1664	1686
Nov.	1660	1632	1703	1736



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

Candlestick: Formation of candlestick pattern is showing downtrend following a steady 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 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, supporting the weakness.

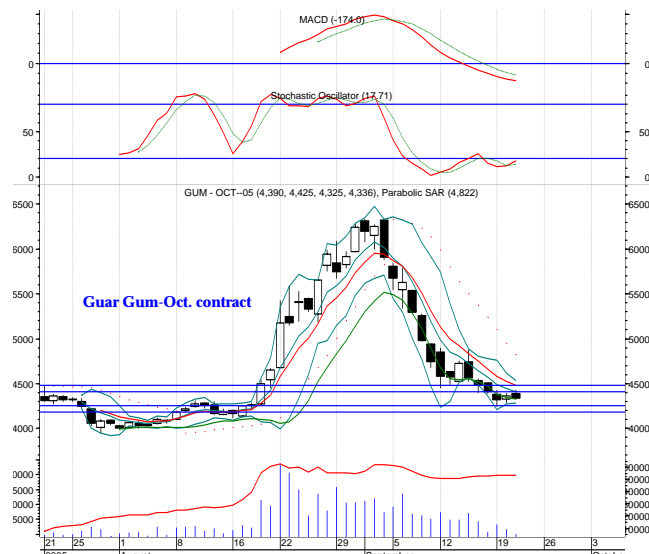
Alignment pattern: The alignment pattern of moving averages is also supporting the bearish market sentiment.

Market outlook:

Guar gum futures are likely to trade downwards following a steady 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.	4258	4179	4412	4478
Nov.	4344	4247	4488	4583



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed slight uptrend following a firm opening at the early hours of trade. However, the futures went down on increased selling activity in late action. The October future traded in the range of 1636.00-1670.00 today. At the spot markets guar seed was quoted slightly higher at Rs 1650-1675 per quintal in Jodhpur market today. At the Bikaner market it was offered at Rs 1620-1625 per quintal today, while at the Nokha market it was available at Rs 1500 per quintal. The guar gum futures at the NCDEX also witnessed slight uptrend after a firm opening at the early hours of trade. However, the futures slid further on increased selling interest in late action. The October future traded in the range of 4325.00-4425.00 today. At the spot markets guar gum was offered at a higher price of Rs 4450-4475 per quintal in Jodhpur market today.

The guar market sentiments continue to remain bearish on a better than expected lower crop estimation in this year. The prices went up during the morning session of trade on increased buying interest at the lower levels. However, the prices slid again on selling pressure at the higher levels. Overall, the prices remained range bound with side-ways movement. Rain/thundershowers likely at most places over Maharashtra; at many places over south Gujarat and southwest Madhya Pradesh; at a few places over the rest region outside Rajasthan where it may be isolated. Under such circumstances the guar prices are likely to remain bearish with possibility of slight upward correction in the next day.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	21.09.05	20.09.05	Change
Guar Seed	Bikaner	1620-1625	1600	+25
	Jodhpur-B line	1650-1675	1650	+25
	Jodhpur-M line	1650	1625	+25
	Nokha	1500	1500	-
Guar Gum	Jodhpur	4450-4475	4450	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	377.80	378.10	377.30	-0.50

Price Movements at Bikaner Vayda

The guar future at the Bikaner vayda traded with a strong sentiment following a higher opening at the morning session of trade. However, the November future settled marginally lower on increased selling pressure at the higher price levels.

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SALIENT POINTS OF THE DAY

Guar seed and gum prices settled lower on increased selling interest.

Light rainfalls in Gujarat, improved weather in Rajasthan.

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

WEATHER HIGHLIGHTS (21-09-05)

During past 24 hours, fairly widespread rainfall with heavy to very heavy rainfall have occurred over Telangana, Coastal Karnataka, Konkan & Goa, Southern parts of Madhya Maharashtra & Marathawada, Coastal Karnataka and Northeastern states. Scattered light to moderate rainfall have also occurred over Vidarbha, Chhattisgarh, Interior Karnataka, Coastal Andhra Pradesh and Orissa. Mainly dry weather prevailed in northwestern parts of India.

Yesterday's deep depression over south Chhattisgarh near Jagdalpur moved westwards and weakened into a depression at about 150 km west of Jagdalpur. The system further moved northwards and lies centred today close to Chandrapur in Vidarbha. The system is likely to move in a northwesterly direction and weaken further. Under its influence widespread rainfall with heavy to very heavy falls at a few places is likely over Maharashtra, Goa and Coastal & North Interior Karnataka on 21st & 22nd September. Isolated heavy rainfall is also likely over south Gujarat and south Madhya Pradesh on 22nd & 23rd September.

A trough in lower tropospheric levels runs from centre of above depression to northeastern states. It is likely to cause scattered to fairly widespread rain over east and northeast parts of the country with isolated heavy rainfall over northeastern States and Sub-Himalayan West Bengal & Sikkim.

Cloud Cover today (IMD):

