

GUAR SEED and GUAR GUM

September 23, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Prices Maintained Weakness in Spot Markets
- Guar Futures Pared Early Slid in Final Action

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing 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, hinting further upward movement.

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

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

Market outlook:

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

Support and Resistance Level for Guar Seed:

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| Oct. | 1527 | 1507 | 1582 | 1607 |
| Nov. | 1552 | 1523 | 1628 | 1659 |



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

Candlestick: Formation of candlestick pattern is indicating 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 upwards in the normal region, showing upward movement in the market.

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

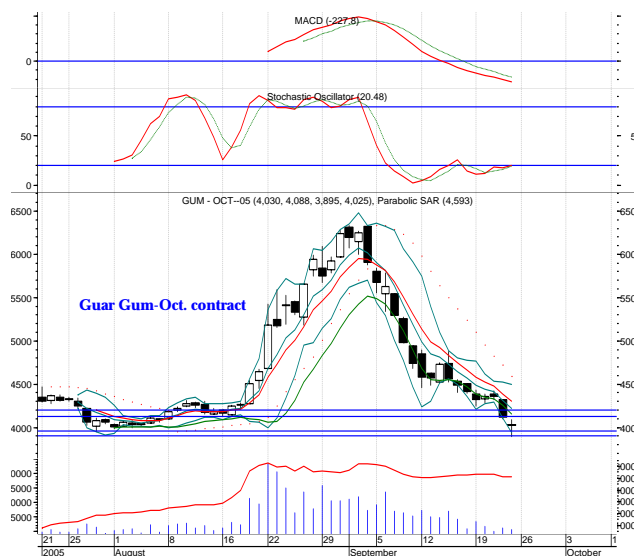
Alignment pattern: The alignment pattern of moving averages is supporting the bearish sentiment.

Market outlook:

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

Support and Resistance Level for Guar Gum:

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| Oct. | 3963 | 3901 | 4126 | 4200 |
| Nov. | 4058 | 3982 | 4248 | 4337 |



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX extended previous weakness today following a slightly weak opening. However, the futures curbed some of the losses in late action. The October future traded in the range of 1504.00-1579.00 today. At the spot markets also guar seed was quoted lower at Rs 1575 per quintal in Jodhpur market today. At the Bikaner market it was offered lower at Rs 1530-1540 per quintal today, while at the Nokha market it was available at a lower price of Rs 1400 per quintal. The guar gum futures at the NCDEX also witnessed similar sentiments today. The October future traded in the range 3895.00-4088.00 today. At the spot markets also guar gum was available at a lower price of Rs 4050 per quintal in Jodhpur market at the evening session of trade.

Amidst cloudy weather and light rainfalls over parts of Rajasthan and moderate rainfalls in Gujarat, the market sentiments maintained the bearishness. However, some buying support at the lower price levels cut back the morning slid in final action. Rain/thundershowers likely at most places over Konkan & Goa, north Madhya Maharashtra and Gujarat region; at many places over south Madhya Maharashtra, Saurashtra & Kutch and West Madhya Pradesh and at a few places over the rest region outside West Rajasthan where it may be isolated. Under such situations guar prices are expected to extend the bearishness following a weak opening. However, an upward correction is expected in the next day.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

| Commodity | Centres | 23.09.05 | 22.09.05 | Change |
|-----------|----------------|-----------|-----------|--------|
| Guar Seed | Bikaner | 1530-1540 | 1575 | -45 |
| | Jodhpur-B line | 1575 | 1600-1615 | -40 |
| | Jodhpur-M line | 1550 | 1575 | -25 |
| | Nokha | 1400 | 1425-1430 | -30 |
| Guar Gum | Jodhpur | 4050 | 4225-4250 | -200 |

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open | Close | Change |
|----------|-------------|--------|--------|--------|
| Nov. | 370.80 | 370.00 | 371.70 | +0.90 |

Price Movements at Bikaner Vayda

The guar future at the Bikaner vayda traded with a bearish sentiment following a weak opening initially. However, the November future settled slightly higher on increased buying interest at the lower price levels.

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SALIENT POINTS OF THE DAY

Guar seed and gum prices pared early slid in final action.

Light rainfalls over parts of Rajasthan, Gujarat.

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

WEATHER HIGHLIGHTS (23-09-05)

During last 24 hours, fairly widespread rain with heavy to very heavy rainfall have occurred over Gujarat, Konkan & Goa, Madhya Maharashtra and Northeastern states. Scattered Moderate to light rainfall have also occurred over coastal Orissa, rest Maharashtra, Madhya Pradesh, Rajasthan, Himachal Pradesh and Uttar Pradesh.

Yesterday's well marked low pressure over north Madhya Maharashtra and neighbourhood further weakened into a low-pressure area and now lies over Southwest Madhya Pradesh and adjoining Gujarat Region. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. The system is likely to move north-northeastwards and weaken further. Under its influence fairly widespread rainfall with heavy to very heavy falls at a few places is likely over Konkan & Goa, north Madhya Maharashtra, Southwest Madhya Pradesh and Gujarat during next 24 hours.

The trough in lower tropospheric levels from centre of above system now runs to West Uttar Pradesh. It is likely to cause scattered rain over North India.

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

Cloud Cover today (IMD):

