

GUAR SEED and GUAR GUM

September 08, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar seed and gum slipped amid rains in Rajasthan
- Guar vayda fell steeply

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 Friday.

Stochastic: The stochastic has reached to 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.

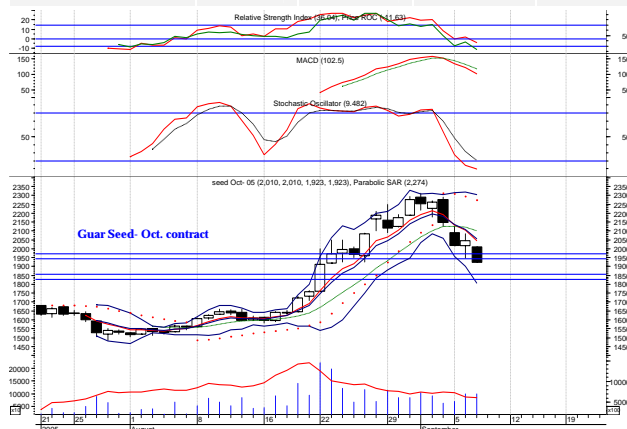
Alignment pattern: The alignment pattern of moving averages is confirming the weakness in the market.

Market outlook:

Guar seed prices are expected to open weaker and trade downward initially and range bound upward thereafter on Friday. 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.	1761	1729	1840	1867
Oct.	1856	1827	1945	1973



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 Friday.

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.

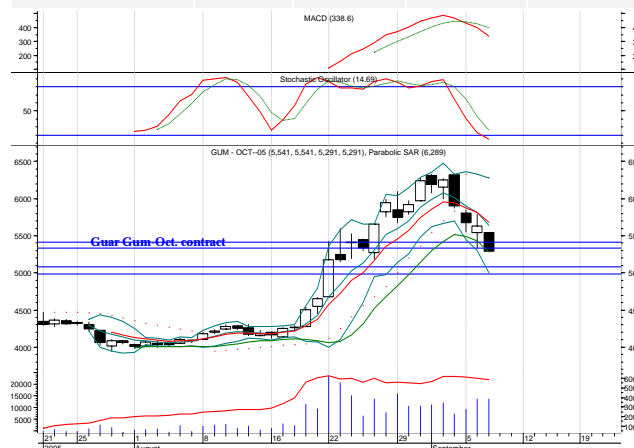
Alignment pattern: The alignment pattern of moving average hinting towards downward movement.

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.	4896	4815	5130	5186
Oct.	5080	4987	5335	5415



MARKET COMMENTARY OF MAJOR MARKETS

Amid cloudy weather and light drizzles also at few places in eastern as well as western Rajasthan, steep downfall was witnessed in guar seed futures at NCDEX, which closed much lower as compared to previous close. Physical markets also witnessed downward moves for the same reasons and in Jodhpur market, guar seed slipped down to Rs.1850-75 per quintal. Prices of guar seeds dipped in Bikaner market too and it was available at Rs.1800 per quintal during evening today. Similar kind of movement was witnessed in guar gum futures at NCDEX that fell steeply today morning and traded range bound near lower levels throughout the day. Following this, guar gum in cash markets showed lower trades and was available in the range of Rs.5000-5150 per quintal in Jodhpur today.

It was cloudy weather in almost whole Rajasthan and light drizzles were also witnessed in parts of Rajasthan including Jodhpur during morning today which turned the sentiments into weakness weather in western Rajasthan today morning, which led the prices to move downward. According to latest weather forecasts, South-east Rajasthan may witness scattered to fairly widespread rains during next 3-4 days, western Rajasthan may also witness isolated rains during next 2 days and under these circumstances prices of guar seed and guar gum may fall tomorrow also.

Commodity	Centres	06.09.05	08.09.05	Change
	Bikaner	1875	1800	-75
Guar Seed	Jodhpur-B line	1925-50	1850-75	-75
	Jodhpur-M line	1900-25	1850	-75
	Nokha	1850	1750	-100
Guar Gum:		5400-5300	5100	-200

BIKANER GUAR VAYDA

Exchange was closed today

Salient points of the day

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

Cloudy weather in parts of Rajasthan, isolated light drizzles at few places.

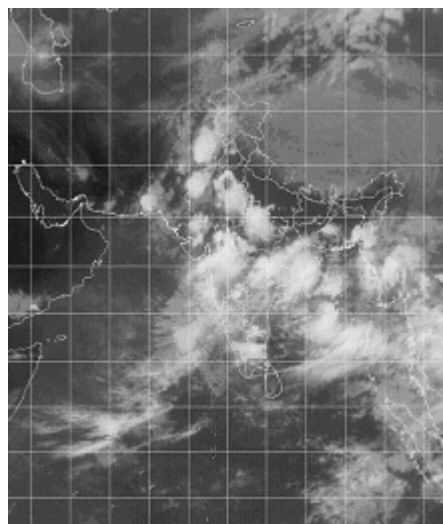
Prices are expected to open weaker and witness range bound downward trade initially and upward later on.

WEATHER HIGHLIGHTS (08-09-05)

South-east Rajasthan may witness scattered to fairly widespread rains during next 3-4 days.

Model prediction of MCMRWF indicates towards development of a **fresh Low Pressure Area in the Bay of Bengal off Orissa-Andhra Coast around 12th September, 2005** which appears to be caused by the movement of the remnant of a low pressure system from South China Sea into our region. This is expected to induce a fresh spell of monsoon rains over North Peninsular and Central India after its formation over the Bay of Bengal. Predictions also indicate **strengthening of monsoon flow over the region following this development.** (NCMRWF, GOI).

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



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