

GUAR SEED and GUAR GUM

October 05, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Prices Retrace Back Today
- Guar Futures Finished Higher; Pared Early Losses

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing a weakly bullish pattern and steady opening.

Stochastic: The %K-line after cutting the %D-line from above moving downwards in the normal region, hinting further downtrend.

MACD: The MACD (5-day) has made a bullish crossover with its EMA and moving upwards, showing strength in the market.

Alignment pattern: The alignment pattern of moving averages is also supporting the uptrend.

Market outlook:

Guar seed futures are expected to move upwards at the early hours of trade but likely to trade downwards later in the session. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1580	1561	1637	1659
Nov.	1608	1588	1669	1697



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

Candlestick: Formation of candlestick is showing a weakly bullish pattern and steady opening.

Stochastic: The %K-line after cutting the %D-line from above moving downwards in the normal region, showing further downward movement.

MACD: The MACD (5-day) has made a bullish crossover with its EMA and moving upwards, hinting strength in the market.

Alignment pattern: The alignment pattern of moving averages is also supporting the upside movement.

Market outlook:

Guar gum futures are expected to move upwards at the early hours of trade but likely to trade downwards later in the session. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4111	4041	4321	4383
Nov.	4192	4127	4398	4470



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX remained weak at the early hours of trade. However, some buying support at the lower price levels pushed up the prices thereafter and the futures settled near to the day's high in final action. The October future traded in the range of 1551.00-1612.00 today. At the spot markets guar seed was quoted at Rs 1650 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at Rs 1575-1580 per quintal, while at the Nokha market it was available steady at Rs 1450 per quintal today. The guar gum futures at the NCDEX also witnessed a weak sentiment at the early hours of trade. However, the futures got some buying support at the lower price levels and move upwards to settle near to the day's high. The October future traded in the range of 4002.00-4190.00 today. At the spot markets guar gum was quoted at Rs 4200-4250 per quintal in Jodhpur market at the evening session of trade.

The guar prices extended yesterday's weakness today at the early hours of trade. However, some buying support at the lower price levels pushed up the prices to a steady level. According to the traders the market is likely to move both ways till the estimation of the size of standing crop is well known, which would direct the future course of action. Mainly dry weather is prevailing over the guar growing regions. An upper air cyclonic circulation lies over southeast Arabian Sea and neighbourhood extend between 1.5 and 3.1 km a.s.l. The western disturbance as an upper air system lies over north Pakistan and neighbourhood persists. Under such circumstance the guar prices are expected to move upwards initially after a steady opening and likely to trade downward thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	05.10.05	04.10.05	Change
	Bikaner	1575-1580	1550	+25
Guar Seed	Jodhpur-B line	1650	1625-1650	-
	Jodhpur-M line	1625	1600-1625	-
	Nokha	1450	1450	-
Guar Gum	Jodhpur	4200-4250	4200	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	374.60	371.40	371.90	-2.70

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment after a weak opening today. The November future settled much lower today as against last trading day. Speculative selling was the main feature of trade at Bikaner vayda today.

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SALIENT POINTS OF THE DAY

Guar seed and gum prices retrace back after curbing early losses today.

Mainly dry weather prevailed over Rajasthan, Haryana, Punjab and Gujarat.

Prices are expected to move upwards at the early hours of trade but likely to trade downwards later in the session.

WEATHER HIGHLIGHTS (05-10-05)

Southwest monsoon has further withdrawn from remaining parts of East Uttar Pradesh, Some parts of Bihar, Jharkhand and Chhattisgarh and some parts of East Madhya Pradesh. The withdrawal line passes through Raxaul, Motihari, Patna, Daltonganj, Pendra, Seoni, Khandwa, Surat 20°N/69°E and 20°N/60°E.

During past 24 hours heavy to very heavy rainfall has occurred at a few places over Sub-Himalayan West Bengal & Sikkim and West Assam. Scattered rainfall also occurred over Kerala, Tamil Nadu and South Interior Karnataka. Chief amounts of rainfall (cms.) are: Dhubri & Cooch Behar-17 each, Jalpaiguri-12, Coimbatore-7, Chitradurga & Allapuzha-5 each.

Yesterday's low-pressure area over Gangetic West Bengal has become less marked. However, the associated upper air cyclonic circulation extends upto 2.1 km a.s.l. Under its influence fairly widespread rainfall with heavy falls is likely over Sub-Himalayan West Bengal & Sikkim and Assam during next 1-2 days.

The upper air cyclonic circulation extending in the middle tropospheric levels over southeast Bay of Bengal now lies over southwest Bay of Bengal. The other upper air cyclonic circulation over southeast Arabian Sea and neighbourhood persists and now extends between 1.5 and 4.5 km a.s.l.

The western disturbance as an upper air system over Jammu & Kashmir and neighbourhood has moved away eastwards.

Cloud Cover today (IMD):

