

GUAR SEED and GUAR GUM

October 06, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Prices Maintained Firmness
- Guar Futures Settled Higher on Buying Support

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, showing possibility of further downtrend.

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 strength.

Market outlook:

Guar seed futures are expected to move upwards with possibility of downward correction in the next day. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1599	1580	1651	1670
Nov.	1641	1618	1693	1715



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, 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 gum futures are expected to move upwards with possibility of downward correction in the next day. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4163	4118	4321	4366
Nov.	4230	4184	4398	4454



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX remained strong initially following a firm opening. However, profit booking capped the advances thereafter but the futures retrace back in late action. The October future traded in the range of 1592.00-1637.00 today. At the spot markets guar seed was quoted steady at Rs 1650 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered higher at Rs 1580-1590 per quintal, while at the Nokha market it was quoted at Rs 1460-1470 per quintal today. The guar gum futures at the NCDEX also witnessed similar sentiment today. The October future traded in the range of 4150.00-4285.00 today. At the spot markets guar gum was quoted at Rs 4275-4300 per quintal in Jodhpur market at the evening session of trade.

The guar prices witnessed a both-ways movement today. The late advance of yesterday was extended at the early hours of trade today but profit booking capped the advances further. However some buying support at the lower price levels pushed up the prices again in late action. Overall, the prices of guar seed and guar gum finished with some positive note today. 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. The upper air cyclonic circulation over southeast Arabian Sea and neighbourhood extending between 1.5 and 4.5 km a.s.l. has become less marked. Under such circumstances the prices of guar seed and guar gum are expected to move upwards initially but likely to move downwards thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	06.10.05	05.10.05	Change
Guar Seed	Bikaner	1580-1590	1575-1580	+10
	Jodhpur-B line	1650	1650	-
	Jodhpur-M line	1625	1625	-
Guar Gum	Nokha	1460-1470	1450	+20
	Jodhpur	4275-4300	4200-4250	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	371.90	372.50	374.20	+2.30

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a strong sentiment after a firm opening today. The November future settled much higher today as against yesterday. Increased buying at the lower price levels pushed up the prices today.

SALIENT POINTS OF THE DAY

Guar seed and gum prices settled higher on speculative buying.

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

Prices are expected to extend the advances in the next day with possibility of downward technical correction.

WEATHER HIGHLIGHTS (06-10-05)

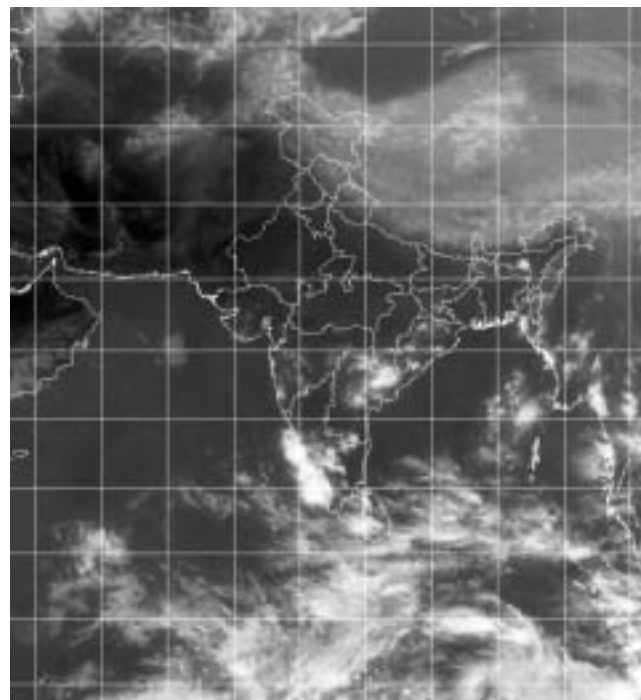
Southwest monsoon has further withdrawn from many parts of Bihar & Jharkhand, some more parts of Chhattisgarh, parts of north Orissa & north Maharashtra and remaining parts of Madhya Pradesh & Gujarat. The withdrawal line passes through Forebaseganj, Dumka, Jamshedpur, Jharsugudha, Raipur, Wardha, Buldana, Nasik, 20° N/73° E and 20° N/60° E.

The upper air cyclonic circulation over Sub- Himalayan West Bengal & Sikkim extending upto 2.1 km a.s.l. persists. Under its influence fairly widespread rainfall with isolated heavy falls is likely over Sub-Himalayan West Bengal & Sikkim during next 24 hours.

The upper air cyclonic circulation over southwest Bay of Bengal persists and now extends upto middle tropospheric levels.

The other upper air cyclonic circulation over southeast Arabian Sea and neighbourhood extending between 1.5 and 4.5 km a.s.l. has become less marked.

Cloud Cover today (IMD):



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