

GUAR SEED and GUAR GUM

October 07, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Prices Remained Stable
- Guar Futures Settled Lower; Curbed Early Gains

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing a bearish pattern and weak opening.

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

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

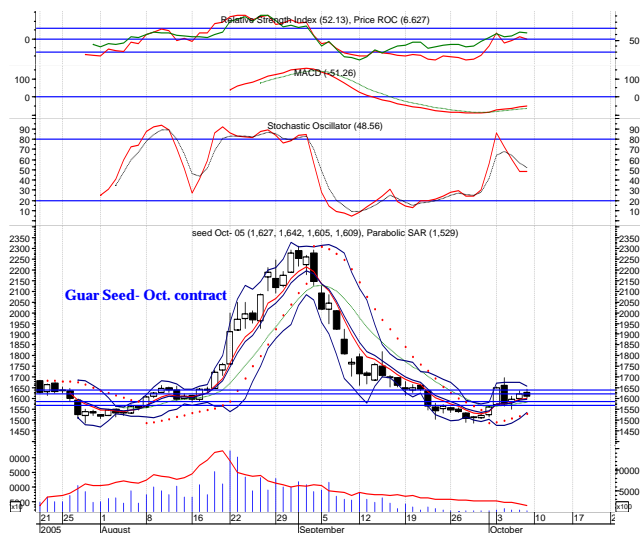
Alignment pattern: The alignment pattern of moving averages is still supporting the strength.

Market outlook:

Guar seed futures are expected to move downwards with possibility of upward movement 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.	1585	1568	1622	1638
Nov.	1618	1603	1668	1685
Dec.	1652	1638	1700	1715



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

Candlestick: Formation of candlestick is showing a bearish pattern and weak opening.

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

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 still supporting the strength.

Market outlook:

Guar gum futures are expected to move downwards with possibility of upward movement 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.	4128	4075	4261	4297
Nov.	4197	4151	4365	4413
Dec.	4283	4257	4404	4435



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX remained mostly strong today following a firm opening at the early hours of trade. However, profit booking at the higher levels pressurised the price thereafter and the futures settled near to the day's low at the final action. The October future traded in a slightly higher range of 1605.00-1642.00 today. At the spot markets guar seed was quoted at Rs 1650-1660 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered higher at Rs 1600-1605 per quintal, while at the Nokha market it was available at Rs 1500-1505 per quintal today. The guar gum futures at the NCDEX also witnessed similar sentiment and finished near to the day's low. The October future traded in the range of 4185.00-4290.00 today. At the spot markets guar gum was quoted at Rs 4300 per quintal in Jodhpur market at the evening session of trade.

The guar prices remained at the higher side after both-ways movement today. Profit booking at the higher prices curbed the morning gains but the prices of guar seed and guar gum at the physical markets managed to remain in the positive territory. The arrival of guar crop is likely to pick up in the coming couple of weeks. The guar physical as well as the futures 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. Under such circumstances the prices of guar seed and guar gum are expected to move downwards initially but likely to move upwards thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	07.10.05	06.10.05	Change
Guar Seed	Bikaner	1600-1605	1580-1590	+15
	Jodhpur-B line	1650-1660	1650	+10
	Jodhpur-M line	1625	1625	-
Guar Gum	Nokha	1500-1505	1460-1470	+35
	Jodhpur	4300	4275-4300	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	374.20	374.70	372.60	-1.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a strong sentiment after a firm opening at the early hours of trade. However, the November future settled lower today as against yesterday on profit booking at the higher price levels. Increased selling at the higher price levels pressurised the prices today to move downwards.

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SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower after curbing the morning advances.

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

Prices are likely to extend the downtrend in the next day with possibility of upward movement later in the session.

WEATHER HIGHLIGHTS (07-10-05)

Southwest monsoon has further withdrawn from, some more parts of Chhattisgarh and Maharashtra. The withdrawal line passes through Forbesganj, Dumka, Jamshedpur, Jharsuguda, Chanderpur, Wardha, Nanded, Ahmednagar, Mumbai, 19° N/73° E and 19° N/60° E.

The upper air cyclonic circulation over Sub- Himalayan West Bengal & Sikkim has become less marked.

The upper air cyclonic circulation over southwest Bay of Bengal now lies over Tamil Nadu & neighbourhood and now extends upto 0.9 km a.s.l. Another upper air cyclonic circulation has formed over southeast Bay of Bengal extending between 1.5 & 4.5 km a.s.l.

Under the influence of these systems scattered light to moderate rainfall is likely over south Peninsula during next 3 days.

NORTH: Mainly dry weather likely in the region.

EAST: Isolated rain/thundershowers likely over northeastern States, West Bengal & Sikkim and Orissa. Mainly dry weather in the rest region.

SOUTH: Rain/thundershowers likely at a few places over Andaman & Nicobar Islands, Tamil Nadu & Pondicherry, Kerala and Lakshadweep and isolated in the rest region outside Telangana and north Interior Karnataka where weather may be mainly dry.

WEST: Isolated rain/thundershowers likely over south Konkan & Goa and south Madhya Maharashtra. Mainly dry weather is likely in the rest region.

Cloud Cover today (IMD):

