

GUAR SEED and GUAR GUM

October 27, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Weakness Today
- Guar Futures: Witnessed Narrow Range Bound Trade

TECHNICAL ANALYSIS

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

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

Stochastic: The %K-line is moving downwards, while the %D-line is moving upwards in the normal region, hinting short-term downtrend.

MACD: The MACD (5-day) along with its EMA moving upwards in the positive territory, showing the strength in the market.

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

Market outlook:

Guar seed futures are expected to trade downwards following a steady opening with possibility of some upward movement thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1729	1719	1775	1786
Dec.	1785	1770	1834	1851



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

Candlestick: Formation of candlestick is indicating a bearish trend reversal pattern and steady opening.

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

MACD: The MACD (5-day) along with its EMA moving upwards in the positive territory, showing the strength in the market.

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

Market outlook:

Guar gum futures are likely to trade downwards following a steady opening with possibility of some upward movement thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4593	4569	4709	4730
Dec.	4681	4646	4809	4846



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a range bound trade following a firm opening today. The futures fluctuated in a narrow range on alternate buying and selling interest. The November future traded in the range of 1748.00-1765.00 today. At the spot markets guar seed was quoted lower at Rs 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market also it was offered lower at Rs 1700 per quintal, while at the Nokha market it was available at a lower price of Rs 1640-1650 per quintal today. The guar gum futures at the NCDEX also traded range bound after a weak opening today. The November future fluctuated in the range of 4642.00-4690.00 today. At the spot markets guar gum was offered steady at Rs 4650 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets remained on an average weak today. Amidst thin trading the prices of guar seed was quoted marginally lower today as against yesterday. However, the prices of guar gum remained steady today. The agriculture ministry of Rajasthan has projected the guar production in the state to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. Moreover, the traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices are hovering near the higher levels for the last few days. Traders are eyeing on the coming month when the arrival of the new crop is likely to pick up and determine the actual demand-supply scenario. The prices of guar seed and guar gum are likely to remain weak in the next day with possibility of some upward movement thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	27.10.05	26.10.05	Change
Guar Seed	Bikaner	1700	1710-1715	-15
	Jodhpur-B line	1800	1815	-15
	Jodhpur-M line	1775	1780	-5
	Nokha	1640-1650	1670-1675	-25
Guar Gum	Jodhpur	4650	4650	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	373.20	373.00	371.00	-2.20
Jan.	363.00	363.00	361.90	-1.10

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment after a steady opening today. The November and the January contract settled lower on increased selling pressure today.

SALIENT POINTS OF THE DAY

Guar seed and gum futures traded range bound amidst both-ways movement.

Dry weather prevailed over major guar growing regions.

Prices are likely to move downwards following a steady opening with possibility of some upward movement.

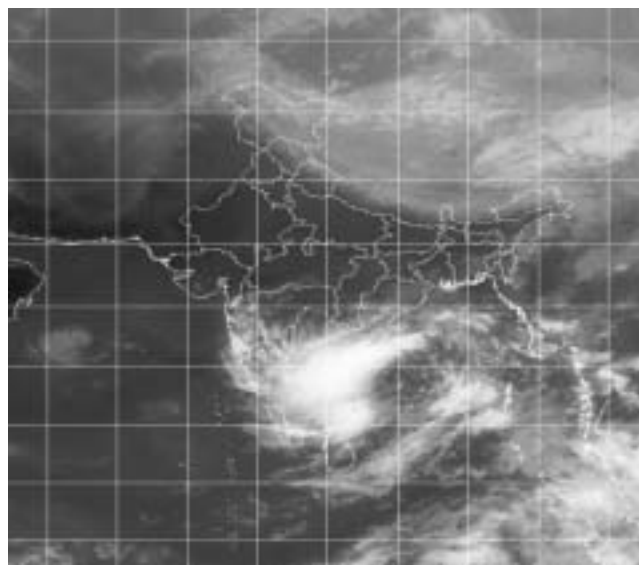
WEATHER HIGHLIGHTS (27-10-05)

Yesterday's morning depression over southwest Bay of Bengal intensified into a deep depression at 2330 hours IST of yesterday. It then moved west-north-westwards and lay centred at 0830 hours IST of today near Lat 13.0° N /Long 82.5° E about 250 km east of Chennai. The system is likely to intensify further and move in a westnorthwesterly direction and cross south Andhra Pradesh-north Tamil Nadu coast between Chennai and Ongole by tomorrow morning.

Under its influence, widespread rainfall with heavy to very heavy falls at a few places is likely over north Tamil Nadu, Coastal Andhra Pradesh and Rayalaseema during next 48 hours. Isolated heavy rainfall may also occur over rest Tamil Nadu, Karnataka and Telangana during next 2-3 days.

The western disturbance as an upper air system over North Pakistan and neighbourhood is moving away east-northeastwards. The induced cyclonic circulation over central Pakistan has become less marked.

Cloud Cover today (IMD):



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