

GUAR SEED and GUAR GUM

October 11-17, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Firm at Spot Markets
- Guar Futures Settled Higher on Speculative Buying

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures witnessed a strong sentiment in this week under review. The guar seed futures started this week with positive note and after consolidation from the mid-week it tested this week's high on Monday. Speculative buying throughout the week has underpinned the upside movement in the guar futures prices. The guar physical markets also witnessed similar sentiments in this week. Amidst expectations of a lower crop in this year the prices of guar seed jumped up in this week in the physical as well as the futures market. The Bikaner line 98% whitish guar seed was quoted in the range of Rs 1675-1750 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained between Rs 1600-1690 per quintal during this week. At the Nokha market also it was quoted higher between Rs 1510-1600 per quintal during this week.

The guar physical markets witnessed a highly bullish sentiment in this week. Speculative buying at the futures market has underpinned the upside movement in prices of both the guar seed and guar gum in futures as well as the physical markets. According to the agriculture ministry of Rajasthan, the guar production in the state is estimated to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. However, according to the trade estimates the guar production in the country is likely to be around 4.5-5 lakh tonnes in this year. Presently, the arrival of the new crop at the major guar markets is yet to pick up and traders are estimating that the arrival would increase significantly in the coming month of November. The market is likely to extend the firm sentiment till the arrival picks up. The prices of guar seed and guar gum are expected to remain strong in the coming days with possibility of a downward technical correction from the mid-week.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
10.10.05	1600	1675	1650	1510-1515
17.10.05	1680-1690	1750	1725	1600
Change	+90	+75	+75	+90

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also remained mostly strong in this week. The guar gum futures witnessed huge gain on Monday and tested this week's high on Monday. At the physical markets also guar gum was traded with a similar sentiment in this week. Speculative-led buying has supported the uptrend in physical as well as the futures market in this week.

At the physical markets guar gum was traded in a higher range of Rs 4325-4550 per quintal in Jodhpur market during this week.

Price Movement of Guar Seed and Gum at NCDEX Vayda (Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
10.10.05	1589.50	1567.50	4252.40
11.10.05	1608.55	1596.40	4340.00
12.10.05	Closed	Closed	Closed
13.10.05	1618.30	1612.70	4403.75
14.10.05	1620.25	1600.05	4356.95
15.10.05	1610.00	1595.95	4337.25
17.10.05	1629.00	1610.35	4375.75
Change (Rs)	+39.50	+42.85	+123.35

Guar Seed Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
10.10.05	1598	1606	1620	1651	1645	1678
11.10.05	1615	1628	1660	1673	1686	1708
12.10.05	MC	MC	MC	MC	MC	MC
13.10.05	1635	1631	1682	1670	1720	1700
14.10.05	1628	1634	1666	1676	1695	1706
15.10.05	1640	1622	1682	1656	1708	1686
17.10.05	1624	1710	1672	1752	1695	1785

Guar Gum Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
10.10.05	4158	4190	4249	4274	4272	4366
11.10.05	4225	4276	4300	4348	4400	4445
12.10.05	MC	MC	MC	MC	MC	MC
13.10.05	4312	4281	4390	4371	4480	4463
14.10.05	4252	4291	4332	4382	4451	4477
15.10.05	4290	4247	4397	4332	4480	4420
17.10.05	4276	4487	4357	4576	4370	4675

WEATHER WATCH (17.10.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

Rainfall has been of light to moderate in nature for the last 24hrs over parts of Lakshadweep, Andaman & Nicobar Islands, Marathwada, Vidarbha, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, coastal Orissa, Assam & Meghalaya, north coastal Andhra Pradesh, Telangana, Rayalaseema, interior parts of Karnataka (south & north). Yesterday's less marked cyclonic circulation system over Madhya Maharashtra and Konkan & Goa with associated upper air cyclonic circulations extending upto mid-tropospheric level and trough extending laterally eastwards upto Chhattisgarh, now lies over East Madhya Pradesh & adjoining Vidarbha. Further, mid-latitude westerly trough in the middle troposphere has moved slightly eastward today (located at 72°E). As per our yesterday's assessment, a clear scenario of tropical (cyclonic circulation over East MP) and mid-latitude (westerly trough) interaction of air-masses has developed and the whole pattern is very slowly in easterly / north easterly direction towards Bihar and Sikkim in coming days traversing through Chhattisgarh, Jharkhand. As per our continued assessment of this evolving scenario, in coming 2-days rainfall intensity over Rayalaseema, coastal Andhra Pradesh and south interior Karnataka is expected to decrease (to isolated type) and is expected to increase over Telangana (atleast for 24), north and western Orissa, Maharashtra, east Madhya Pradesh, Chhattisgarh (to scattered to fairly widespread type with some pockets of heavy rainfall). Further, isolated to scattered rainfall activity is expected over parts of hilly regions of J&K, Jharkhand, sub-Himalayan West Bengal & Sikkim and Bihar for next 4-5 days. However, rainfall activity over the north coastal regions of Orissa, Gangetic West Bengal and NE States would only be of isolated type. Much earlier than expected yesterday, a fresh cyclonic circulation has formed over the

central parts of south Bay of Bengal today itself. The model predictions indicate that the cyclonic circulation is likely to get organized in coming days and move very slowly in north-northwesterly direction. Under the influence of this likely scenario, scattered to fairly widespread rainfall activity is likely to develop over the coastal regions of Andhra Pradesh and Orissa by 19th Oct 2005. The existing low-pressure area over the Arabian Sea is likely to move in northwesterly direction as well.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Hilly regions of north India and NW India (J&K, HP, UTTARANCHAL) are likely to experience isolated to scattered rainfall/snowfall activity for couple of days and mainly dry weather is likely to prevail subsequently. Largely dry weather is likely to prevail over rest of the regions.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

West Bengal & Sikkim, NE states, north coastal Orissa are likely to experience only isolated spells of rainfall activity up to 48hrs and experience isolated to scattered rains subsequently. Bihar, Jharkhand, western Orissa can experience isolated to scattered rains for 1-2days and experience scattered to fairly widespread rains subsequently. Mainly dry weather is likely to prevail over rest of the regions.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Vidarbha, Madhya Pradesh and Chhattisgarh are expected to have scattered to fairly widespread showers during next 2-3-days and isolated to scattered type rains might prevail subsequently.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

Interior Karnataka, Rayalaseema, Andaman & Nicobar and Lakshadweep are likely to experience isolated to scattered rainfall activity. On the other hand, parts of Telangana are likely to experience scattered to fairly widespread rainfall. Coastal Andhra Pradesh and Bay Islands can possibly experience scattered to fairly widespread rains starting from 19th Oct., 2005. Isolated rainfall activity is expected over rest of the regions.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

North Konkan, Maharashtra and parts of south Gujarat are likely to experience isolated rainfall activity in coming 1-2days. Mainly dry weather is likely to prevail over rest areas of the region.

Source: GOI (NCMRWF& IMD)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)
NCDEX November Contract

Candlestick: Formation of candlestick is indicating a bullish pattern and firm opening.

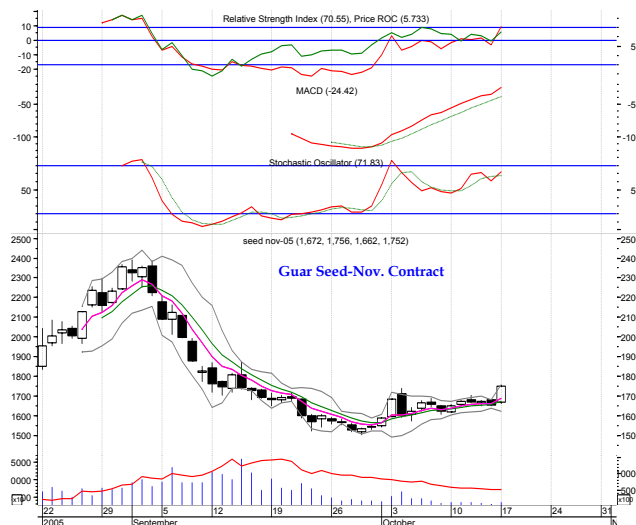
Stochastic: The stochastic is moving upwards; the % -K line after cutting the % -D line from below moving upwards in the normal region, showing further uptrend.

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

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

Market Outlook:

Guar seed prices are expected to open firm and trade upwards. The futures are likely to consolidate and may move downwards from the mid-week.



Commodity: Guar Gum

Perspective: Very Short Term
NCDEX November Contract

Candlestick: Formation of candlestick is indicating a bullish pattern and firm opening.

Stochastic: The stochastic is moving upwards; the % -K line after cutting the % -D line from below moving upwards in the normal region, hinting further uptrend.

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

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

Market Outlook:

Guar gum prices are expected to open firm and trade upwards. The futures are likely to consolidate and may move downwards from the mid-week.



FOREX: (17.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.82
European Union	Euro	54.15
United Kingdom	GBP	79.17
Japan	100 Yen	39.22

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