

GUAR SEED and GUAR GUM

October 18, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained the Strength
- Guar Futures: Settled Up; Curb Early Advances

TECHNICAL ANALYSIS

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

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

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

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

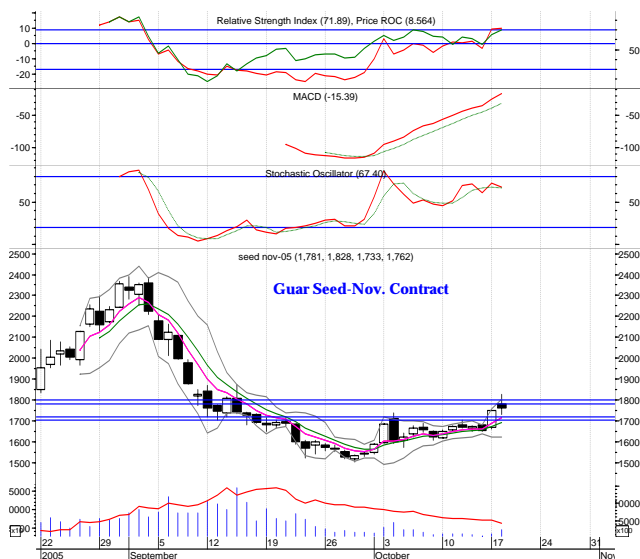
Alignment pattern: The alignment pattern of moving averages is still supporting the uptrend.

Market outlook:

Guar seed futures are expected to trade downwards following a weak opening initially and upwards thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1666	1648	1720	1737
Nov.	1721	1705	1783	1800
Dec.	1750	1739	1812	1825



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

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

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

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

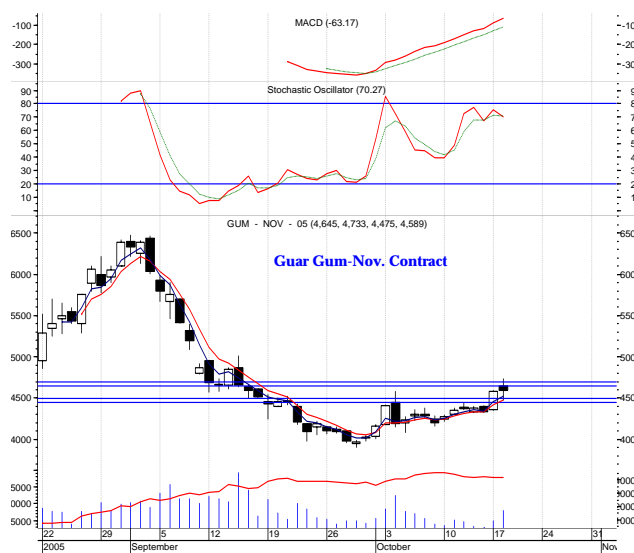
Alignment pattern: The alignment pattern of moving averages is still supporting the uptrend.

Market outlook:

Guar gum futures are likely to trade downwards following a weak opening initially and upwards thereafter.. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4404	4359	4560	4605
Nov.	4492	4449	4651	4698
Dec.	4545	4501	4719	4764



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX extended previous advances today following a firm opening today. However, profit booking at the higher price levels cut back some of the early gains in late action. The November future traded in a higher range of 1733.00-1828.00 today. At the spot markets guar seed was quoted higher at Rs 1775 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at Rs 1690-1700 per quintal, while at the Nokha market it was available at Rs 1600-1610 per quintal today. The guar gum futures at the NCDEX witnessed a similar sentiment during today's trade. The November future traded in a higher range of 4475.00-4733.00 today. At the spot markets also guar gum was quoted higher at Rs 4600 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets maintained its strength today. The early surge in the futures market has underpinned the upside movement in prices of both 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. The estimation of such lower crop has lifted up the market sentiments. Moreover, the arrival of the crop at the major guar markets is at the initial stage and traders are estimating that the arrival would increase significantly in the coming month. 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 next day with some downside movement likely in the early session.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	18.10.05	17.10.05	Change
	Bikaner	1690-1700	1680-1690	+10
Guar Seed	Jodhpur-B line	1775	1750	+25
	Jodhpur-M line	1750	1725	+25
	Nokha	1600-1610	1600	+10
Guar Gum	Jodhpur	4600	4550	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	375.90	375.30	375.00	-0.90
Jan.	357.00	360.00	359.50	+2.50

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a mixed sentiment today. The November contract settled slightly lower on profit booking, while the January contract settled higher on speculative buying today.

SALIENT POINTS OF THE DAY

Guar seed and gum futures managed to settle up after curbing early advances.

Dry weather prevailed over major guar growing regions.

Prices are likely to move downwards following a weak opening with possibility of some upward movement later in the session.

WEATHER HIGHLIGHTS (18-10-05)

The upper air cyclonic circulation over East Madhya Pradesh & adjoining Vidarbha now lies over East Madhya Pradesh and extends upto 0.9 km a.s.l.

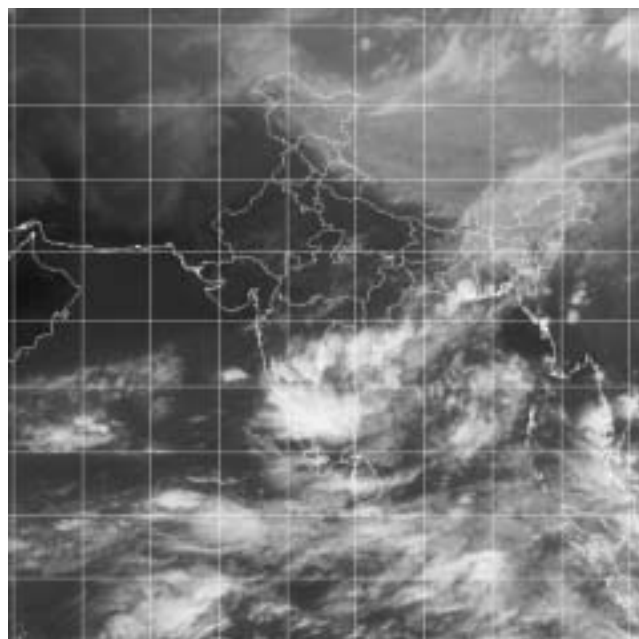
The well-marked low-pressure area over eastcentral Arabian Sea persists and has weakened into a low-pressure area.

The Western Disturbance as an upper air system over extreme northwest Jammu & Kashmir is moving away northeastwards. The induced upper air cyclonic circulation over central Pakistan and the trough in westerlies have become less marked.

With the eastward movement of Western Disturbance, generally fair weather is likely over Jammu & Kashmir. The night temperature, however, will fall.

The upper air cyclonic circulation over central parts of south Bay of Bengal now lies over southwest Bay of Bengal and extends upto 4.5 km a.s.l. Under its influence fairly widespread rainfall is likely over Coastal Andhra Pradesh and Tamil Nadu & Pondicherry during next 24 hours after which the rainfall activity is likely to increase.

Cloud Cover today (IMD):



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