

GUAR SEED and GUAR GUM

September 27- October 03, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Retrace Back at Spot Markets
- Guar Futures Finished Higher on Speculative Buying

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures traded with a mixed sentiment in this week. The guar seed futures remained mostly weak in the first half of this week. The futures started moving upwards from the mid-week on increased buying support at the lower price levels. The guar seed futures finished this week on a much higher ground and tested this week's high on Monday. The guar physical markets witnessed similar sentiments in this week. Speculation of a lower than expected higher crop underpinned the upside movement in guar prices in the physical as well as the futures market. The Bikaner line 98% whitish guar seed was quoted in the range of Rs 1550-1725 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained between Rs 1500-1650 per quintal during this week.

As per various forecasts of government agencies like IMD and NCRMWF, the Southwest monsoon has further withdrawn from some more parts of East Madhya Pradesh, West Madhya Pradesh, Gujarat Region and the remaining parts of Saurashtra & Kutch and north Arabian Sea. Mainly dry weather has prevailed over guar growing regions. The trade estimation of guar crop now hovers around 40-45 lakh bags as against earlier estimation of 50-55 lakh bags. The speculation of such lower estimation has underpinned the upside movement in guar prices. However, the guar prices are expected to remain weak in the coming 1-2 days and likely to consolidate from the mid-week. Some upward movement in prices is likely in the last half of the coming week.

Spot Market Prices of Guar in Main Markets of Rajasthan (Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
26.09.05	1550-1575	1600	1575	-
03.10.05	1625-1650	1700-1725	1675-1700	1525-1550
Change	+75	+100	+100	-

Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed a bearish sentiment in the first half of this week. However, the guar gum futures retraced back from the mid-week on increased

buying support. The guar gum futures finished this week on a much higher ground on speculation of a lower than expected higher crop. At the physical markets also guar gum was traded with a similar sentiment in this week. The guar gum prices got some buying support at the lower price levels and speculative-led buying pushed up the prices.

At the physical markets guar gum was traded in the range of Rs 4025-4400 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
26.09.05	1522.20	1514.10	4134.20
27.09.05	1524.40	1509.10	4123.80
28.09.05	1483.95	1491.70	4021.00
29.09.05	1474.85	1467.85	3948.00
30.09.05	1505.00	1471.55	3985.20
01.10.05	1523.65	1495.55	4098.60
03.10.05	1616.40	1582.70	4332.15
Change (Rs)	+94.20	+68.60	+197.95

Guar Seed Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
26.09.05	1557	1546	1585	1574	1610	1591
27.09.05	1550	1540	1570	1565	1596	1579
28.09.05	1531	1507	1555	1529	1570	1542
29.09.05	1512	1509	1520	1536	1535	1551
30.09.05	1512	1521	1544	1549	1560	1564
01.10.05	1524	1559	1550	1589	1568	1609
03.10.05	1570	1652	1599	1684	1617	1705

Guar Gum Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
26.09.05	4050	4019	4151	4107	4250	4183
27.09.05	4030	4012	4119	4095	4190	4169
28.09.05	3989	3905	4099	3979	4140	4045
29.09.05	3865	3896	3951	3973	4012	4046
30.09.05	3910	3939	4019	4023	4069	4096
01.10.05	3935	4073	4035	4164	4113	4240
03.10.05	4105	4317	4180	4413	4259	4492

WEATHER WATCH (03.10.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

Southwest monsoon has further withdrawn from some more parts of East Madhya Pradesh, West Madhya Pradesh, Gujarat Region and the remaining parts of Saurashtra & Kutch and north Arabian Sea. The withdrawal line passes through Bahraich, Allahabad, Umeria, Seoni, Khandwa, Surat 20 ° N/ 69 ° E and 20 ° N/ 60 ° E.

Yesterday's low pressure area over northwest Bay of Bengal and adjoining north Orissa-Gangetic West Bengal coast moved north-northeastwards and became well marked. It now lies over southern parts of Gangetic West Bengal & neighbourhood. The associated upper air cyclonic circulation extends upto mid-tropospheric levels. The upper air cyclonic circulation over Saurashtra & Kutch and adjoining southeast Pakistan has become less marked. Under the influence of these systems, fairly widespread

rainfall with heavy to very heavy falls is likely over northeastern States, West Bengal & Sikkim and North Orissa and scattered rains are likely over North Konkan and South Orissa during next 2-3 days. A western disturbance as an upper air system lies over north Pakistan and neighbourhood. This may cause isolated rainfall activity over Himachal Pradesh and J&K during next 48 hours. NW India and parts of Central & West India may continue to witness mainly dry weather conditions for next 4-5 days.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Mainly dry weather is likely to prevail over the region except over Himachal Pradesh and J&K where isolated rains are expected during next 48 hours and mainly dry weather thereafter.

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

West Bengal & Sikkim, NE states and Orissa are likely to experience fairly widespread rainfall activity with isolated heavy to very heavy showers. Isolated activity is likely over rest areas of the region.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail over the region during next 4-5 days.

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

Isolated rains are expected over the region.

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

North Konkan coast is likely to experience scattered rainfall activity. Isolated rains are expected over Madhya Maharashtra. 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 October Contract

Candlestick: Formation of candlestick pattern is showing some upward movement in the next day. However, a downward correction is likely in the short-term.

Stochastic: The stochastic is moving upwards; the % -K line after cutting the % -D line from below moving upwards in the overbought region, showing short-term uptrend in the coming days.

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

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

Market Outlook:

Guar seed prices are expected to open firm and trade range bound upward initially and may witness some downward correction in the next week. However, the futures are likely to consolidate and may move upwards from the mid-week.



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

Candlestick: Formation of candlestick pattern is showing some upward movement in the next day. However, a downward correction is likely in the near future.

Stochastic: The stochastic is moving upwards; the % -K line after cutting the % -D line from below moving upwards in the overbought region, showing very short-term uptrend in the coming days.

MACD: The MACD (5-day) is moving upwards after cutting its EMA in negative region, indicating strength in the market.

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

Market Outlook:

Guar gum prices are expected to open firm and trade range bound upward initially and may witness some downward correction in the next week. However, the futures are likely to consolidate and may move upwards from the mid-week.



FOREX: (03.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.09
European Union	Euro	52.75
United Kingdom	GBP	77.53
Japan	100 Yen	38.71

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