

GUAR SEED and GUAR GUM

October 25, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Bearish Today
- Guar Futures: Settled Lower; Curbed Early Gains

TECHNICAL ANALYSIS

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

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

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

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 also supporting the upward movement.

Market outlook:

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

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1720	1706	1764	1774
Dec.	1767	1750	1816	1832



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

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

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

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 also supporting the upward movement.

Market outlook:

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

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4525	4490	4667	4698
Dec.	4622	4577	4750	4787



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a bullish sentiment following a firm opening at the early hours of trade. However, profit booking at the higher price levels capped further advances and the futures slid to day's low in final action. The November future traded in the range of 1745.00-1787.00 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 it was offered lower at Rs 1725 per quintal, while at the Nokha market it was available at a steady price today. The guar gum futures at the NCDEX also remained strong after a firm opening at the early hours of trade. However, profit booking at the higher price levels capped further advances and the futures settled near to the day's low in late action. The November future traded in the range of 4628.00-4765.00 today. At the spot markets guar gum was traded lower at Rs 4650 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets witnessed a strong sentiment and the prices of both the guar seed and guar gum moved up at the morning session of trade. However, the spillover weakness from the futures market has pulled down the physical market sentiments and prices slid at the evening session of trade. 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 traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices were on the uptrend for the last couple of 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 initially in the next day and expected to move upwards thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	25.10.05	24.10.05	Change
Guar Seed	Bikaner	1725	1740	-15
	Jodhpur-B line	1800	1830	-30
	Jodhpur-M line	1775	1800	-25
	Nokha	1650	1650	-
Guar Gum	Jodhpur	4650	4675-4700	-50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	376.00	375.50	372.50	-3.50
Jan.	364.50	364.00	361.50	-3.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a weak opening today. The November as well as the January contract finished much lower on speculative selling pressure.

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower after curbing early advances.

Dry weather prevailed over major guar growing regions.

Prices are likely to move downwards following a weak opening initially and moderately upwards thereafter.

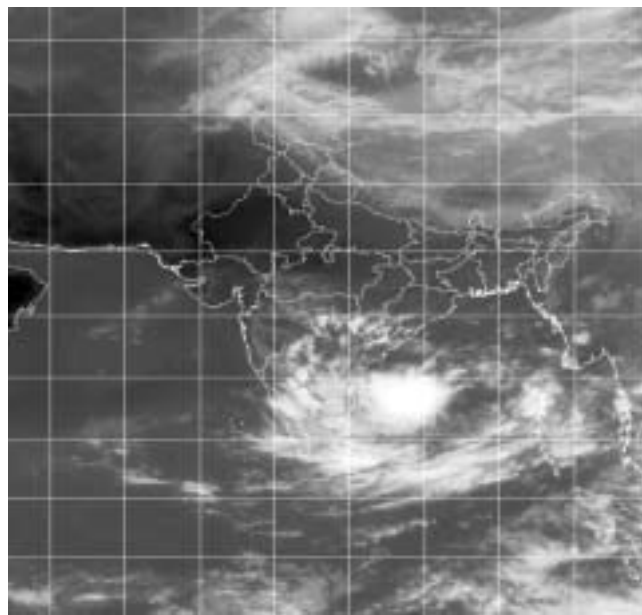
WEATHER HIGHLIGHTS (25-10-05)

Under the influence of upper air cyclonic circulation over southwest Bay of Bengal, a low-pressure area has formed over southeast and adjoining southwest Bay of Bengal. The system is likely to become well marked and subsequently a depression. It may cause an active wet spell with heavy to very heavy falls over south Peninsula during next 2-3 days. Subsequently the rainfall is likely to extend northwards along the east coast to coastal areas of Orissa and West Bengal.

The upper air cyclonic circulation over eastcentral Arabian Sea has become unimportant.

The feeble western disturbance as an upper air system over North Pakistan and neighbourhood persists. Under its influence, an induced cyclonic circulation has formed over central Pakistan, which extends upto 2.1 km a.s.l. These systems may cause scattered light to moderate rain/snow over Jammu & Kashmir during next 2 days.

Cloud Cover today (IMD):



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