

GUAR SEED and GUAR GUM

October 26, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Settled Up Amidst Rangebound Trade

TECHNICAL ANALYSIS

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

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

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

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

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

Market outlook:

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

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1729	1714	1776	1788
Dec.	1785	1770	1838	1850



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

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

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

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

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

Market outlook:

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

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4578	4557	4714	4735
Dec.	4671	4621	4809	4846



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a range bound trade following a weak opening today. However, the futures managed to settle in the positive territory on increased buying support at the lower price levels. The November future traded in a marginally lower range of 1744.00-1772.00 today. At the spot markets guar seed was quoted higher at Rs 1815 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at Rs 1710-1715 per quintal, while at the Nokha market it was offered at Rs 1670-1675 per quintal today. The guar gum futures at the NCDEX also traded range bound after a steady opening today. The November future fluctuated in a slightly lower range of 4625.00-4700.00 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 retraced back again after initial weakness today. Moderate buying interest at the futures market has underpinned the upside movement in the prices of 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 traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices are 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 moderately strong initially in the next day and expected to move downwards thereafter.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	26.10.05	25.10.05	Change
Guar Seed	Bikaner	1710-1715	1725	-15
	Jodhpur-B line	1815	1800	+15
	Jodhpur-M line	1780	1775	+5
Guar Gum	Nokha	1670-1675	1650	+25
	Jodhpur	4650	4650	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	372.50	372.40	373.20	+0.70
Jan.	361.50	361.50	363.00	+1.50

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed both-ways movement following a steady opening today. The November as well as the January contract settled higher on speculative buying support today.

SALIENT POINTS OF THE DAY

Guar seed and gum futures managed to settled higher amidst range bound trade.

Dry weather prevailed over major guar growing regions.

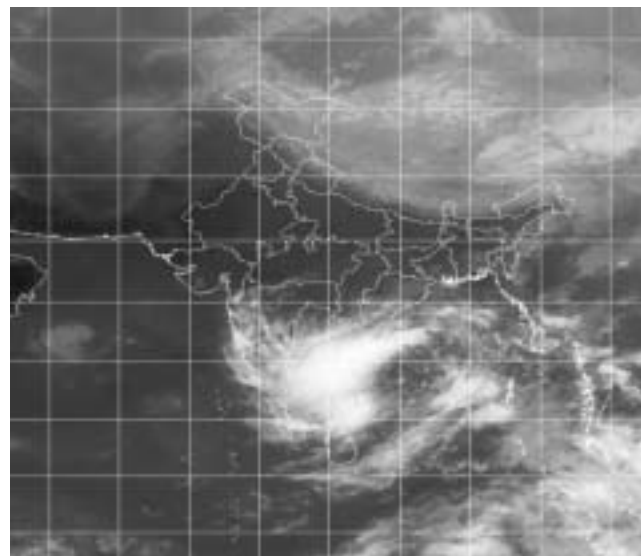
Prices are likely to move moderately upwards following a steady opening initially and downwards thereafter.

WEATHER HIGHLIGHTS (26-10-05)

The well marked low pressure area over southeast and adjoining southwest Bay of Bengal has concentrated into a depression and lies centred today morning at 0830 hrs IST near Lat 12 N /Long 84.5 E about 500 km east southeast of Chennai. The system is likely to intensify further and move in a northwesterly direction initially. Under its influence widespread rains with heavy to very heavy falls is likely over Coastal Andhra Pradesh, Rayalaseema and north coastal Tamil Nadu during next 2-3 days. Heavy rainfall also likely over south coastal Tamil Nadu and South Interior Karnataka for another 24- 36 hours. As the system moves northwestwards, the rainfall activity over Tamil Nadu and South Interior Karnataka is likely to ease and extend northwards along the east coast to coastal areas of Orissa and West Bengal.

The western disturbance as an upper air system over North Pakistan and neighbourhood persists. The induced cyclonic circulation over central Pakistan extending upto 2.1 km a.s.l. also persists. These systems may cause scattered light to moderate rain/snow over Jammu & Kashmir during next 2 days. Subsequently the weather is likely to improve, resulting in fall in night temperatures over the state.

Cloud Cover today (IMD):



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