

GUAR SEED and GUAR GUM

October 22, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Steady Today
- Guar Futures: Retraced Back from Previous Slid

TECHNICAL ANALYSIS

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

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

Stochastic: The %K-line after cutting the %D-line from above moving downwards in the normal region, hinting 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 supporting the uptrend.

Market outlook:

Guar seed futures are expected to trade moderately downwards following a firm 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
Nov.	1721	1706	1775	1791
Dec.	1777	1762	1834	1849



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

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

Stochastic: The %K-line after cutting the %D-line from above moving downwards in the normal region, hinting 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 supporting the uptrend.

Market outlook:

Guar gum futures are likely to trade moderately downwards following a firm 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
Nov.	4524	4481	4659	4706
Dec.	4632	4601	4789	4816



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a strong sentiment following a weak opening today. Increased buying support at the lower price levels pushed up the futures today. The November future traded in the range of 1700.00-1741.00 during today's trade. At the spot markets guar seed was quoted higher at Rs 1775 per quintal in Jodhpur market today. At the Bikaner market it was offered steady at Rs 1650 per quintal, while at the Nokha market it was available at an unchanged price of Rs 1600 per quintal today. The guar gum futures at the NCDEX witnessed an initial weakness after a weak opening today. However, increased buying support at the lower price levels pushed up the futures and the guar gum futures settled near to the day's high in final action. The November future traded in the range of 4462.00-4575.00 today. At the spot markets guar gum was quoted steady at Rs 4575 per quintal in Jodhpur market today.

The guar physical markets witnessed a steady sentiment today after yesterday's weakness. Amidst speculative buying at the futures market the prices of both the guar seed and guar gum maintained some strength today. 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, the traders are estimating further lower crop size in this year. The lower crop estimation in this year has underpinned the firm sentiment in the physical markets. The traders are eyeing on the coming month, as the arrival of the new crop would pick up at that time, which would drive the market forces accordingly. 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	22.10.05	21.10.05	Change
Guar Seed	Bikaner	1650	1640-1650	-
	Jodhpur-B line	1775	1740-1750	+25
	Jodhpur-M line	1750	1720	+30
Guar Gum	Nokha	1600	1600	-
	Jodhpur	4575	4575	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	370.10	370.50	371.00	+0.90
Jan.	354.00	354.70	357.00	+3.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a strong sentiment following a firm opening today. The November as well as the January contract settled higher on increased buying interest today.

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher on increased buying support.

Dry weather prevailed over major guar growing regions.

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

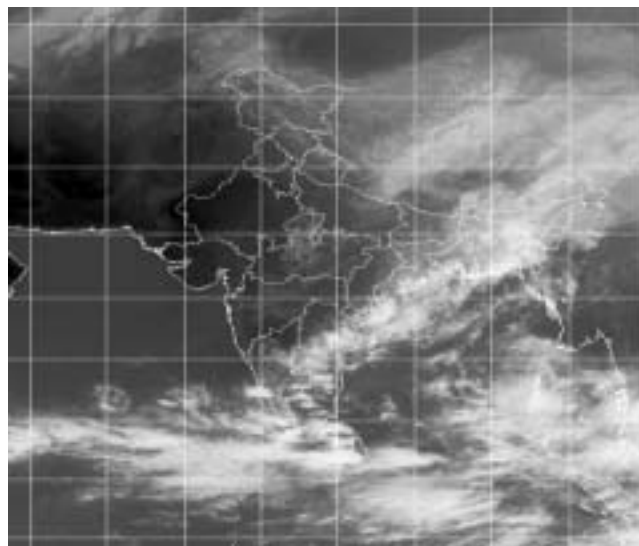
WEATHER HIGHLIGHTS (21-10-05)

Yesterday's upper air cyclonic circulation over Orissa and neighbourhood now lies over Jharkhand and neighbourhood extending upto 3.1 km a.s.l. persists. The trough in the middle troposphere nearly along Long 82 deg E and north of Lat. 20 deg N persists. Under their influence widespread rainfall with isolated heavy fall is likely over northeastern States during next 2-3 days. Widespread to fairly widespread rainfall is also likely over West Bengal & Sikkim, coastal Orissa, Jharkhand and Bihar with isolated heavy to very heavy falls over West Bengal & Sikkim and coastal Orissa during next 1-2 days.

The upper air cyclonic circulation over central parts of south Bay of Bengal now lies over coastal Tamil Nadu and neighbourhood extending upto 3.1 km a.s.l. Under its influence fairly widespread rainfall with isolated heavy falls likely over Tamil Nadu & Pondicherry, Kerala and Lakshadweep islands.

Rain/ thundershowers likely occur at a few places over East Uttar Pradesh during next 24 hours. Subsequently the rainfall activity will decrease significantly. Mainly dry weather likely in the rest region outside Jammu & Kashmir where scattered light rain/snow may commence from 24th onwards.

Cloud Cover today (IMD):



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