

GUAR SEED and GUAR GUM

October 15, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Prices Remained Weak Today
- Guar Futures: Settled Down on Selling Pressure

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 above moving downwards in the normal region, showing further downtrend.

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

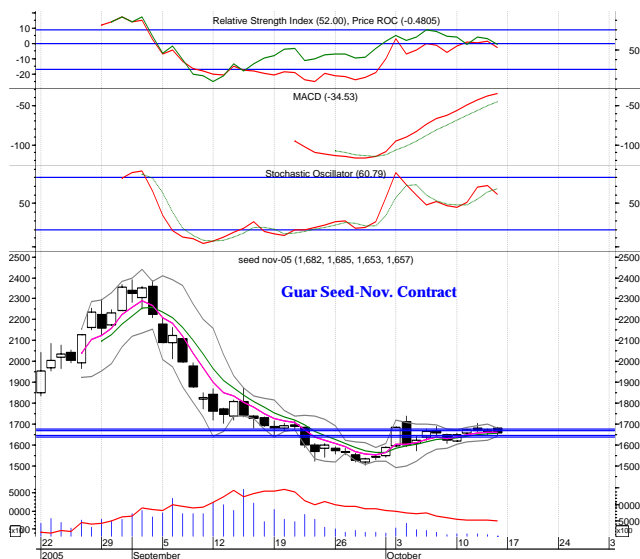
Alignment pattern: The alignment pattern of moving averages is also supporting the downtrend.

Market outlook:

Guar seed futures are expected to trade downwards following a weak opening and range bound upwards later in the session. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	1612	1605	1631	1637
Nov.	1646	1638	1671	1679
Dec.	1670	1658	1699	1707



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

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

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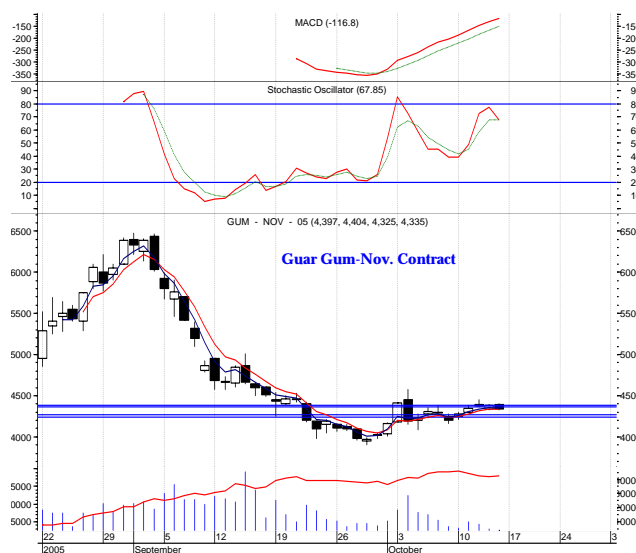
Alignment pattern: The alignment pattern of moving averages is also supporting the downtrend.

Market outlook:

Guar gum futures are likely to trade downwards following a weak opening and range bound upwards later in the session. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Oct.	4199	4180	4270	4289
Nov.	4268	4241	4361	4386
Dec.	4369	4345	4453	4474



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX remained slightly strong after a firm opening at the early hours of trade. However, speculative selling at the higher prices cut back the gains and the futures settled near to the day's low. The November future traded in the range of 1653.00-1685.00 during today's trade. At the spot markets guar seed was quoted at Rs 1690-1695 per quintal in Jodhpur market today. At the Bikaner market it was offered at Rs 1610-1615 per quintal, while at the Nokha market it was available at Rs 1530-1540 per quintal today. The guar gum futures at the NCDEX also witnessed similar sentiments during today's trade. The November future traded in the range of 4325.00-4404.00 today. At the spot markets guar gum was offered lower at Rs 4325 per quintal in Jodhpur market today.

The guar physical markets witnessed a bearish sentiment today. Speculative selling cut back the initial advances and the prices of both the guar seed and guar gum went down in the negative territory. 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, according to the trade estimates the guar production in the country is likely to be around 4.5-5 lakh tonnes in this year. The Western Disturbance as an upper air system over North Pakistan now lies over north Pakistan and adjoining Jammu & Kashmir. It may cause light to moderate scattered rain/snow over Western Himalayas during next 2-3 days. Under such circumstance the guar prices are likely to remain weak in the next trading day with possibility of some upward movement later in the session.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	15.10.05	14.10.05	Change
Guar Seed	Bikaner	1610-1615	1625-1630	-15
	Jodhpur-B line	1690-1695	1705-1710	-15
	Jodhpur-M line	1670	1680	-10
	Nokha	1530-1540	1540-1550	-10
Guar Gum	Jodhpur	4325	4400	-75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	372.00	369.50	368.80	-3.20

Price Movements at Bikaner Vayda

The Bikaner vayda extended earlier weakness today after a weak opening. Increased selling activity pressurised the price throughout the day and the November future settled much lower today as against yesterday.

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower on speculative selling pressure.

Dry weather prevailed over major guar growing regions.

Prices are likely to move downwards following a weak opening with possibility of range bound upward movement thereafter in the next trading day.

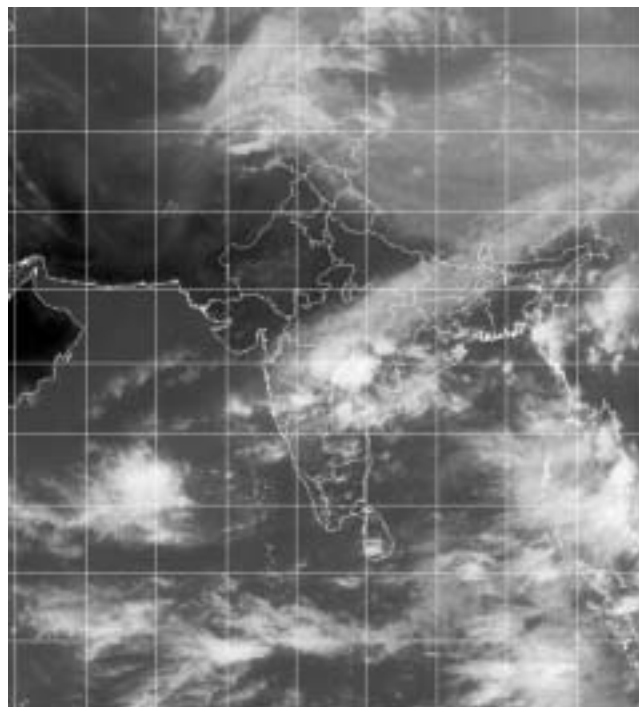
WEATHER HIGHLIGHTS (15-10-05)

Yesterday's low-pressure area over southern parts of Rayalaseema and adjoining Karnataka & Tamil Nadu now lies over North Interior Karnataka and adjoining areas of south Madhya Maharashtra and Konkan & Goa. An associated upper air cyclonic circulation extends upto mid-tropospheric level. Under its influence, enhanced rainfall activity with heavy falls is likely over north Andhra Pradesh, north Karnataka and Maharashtra & Goa during next 1-2 days. The rainfall activity over Andhra Pradesh is likely to decrease after 24 hrs.

The low-pressure area over western parts of southeast Arabian Sea persists.

The Western Disturbance as an upper air system over North Pakistan now lies over north Pakistan and adjoining Jammu & Kashmir. It may cause light to moderate scattered rain/snow over Western Himalayas during next 2-3 days.

Cloud Cover today (IMD):



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