

GUAR SEED and GUAR GUM

October 20, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Steady Today
- Guar Futures: Witnessed Range Bound Trade Today

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing a short-term trend reversal pattern and weak 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 also supporting the uptrend.

Market outlook:

Guar seed futures are expected to trade downwards following a weak 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.	1749	1731	1805	1822
Dec.	1787	1770	1852	1869



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

Candlestick: Formation of candlestick is indicating a short-term trend reversal pattern and weak opening.

Stochastic: The %K-line is moving flat, while the %D-line is still moving upwards in the normal region, hinting 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 uptrend.

Market outlook:

Guar gum futures are likely to trade downwards following a weak 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.	4582	4547	4741	4788
Dec.	4671	4631	4810	4842



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a range bound trade with a strong undertone following a firm opening today. The November future traded in the range of 1770.00-1801.00 during today's trade. At the spot markets guar seed was quoted higher at Rs 1810-1820 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered steady at Rs 1725 per quintal, while at the Nokha market it was available at an unchanged price of Rs 1640 per quintal today as against yesterday. The guar gum futures at the NCDEX also witnessed a range bound trade with a bullish undertone after a firm opening today. The November future traded in the range of 4650.00-4730.00 today. At the spot markets also guar gum was quoted at an unchanged price of Rs 4750 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets maintained the firm sentiment today. Amidst range bound trade at the futures market the prices of both the guar seed and guar gum remained mostly unchanged at the futures as well as the physical markets today as against yesterday. 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 lower crop estimation in this year has pushed up the prices of guar seed and guar gum significantly in the last few days. 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 market sentiments are likely to remain firm till the arrival picks up significantly. The prices of guar seed and guar gum are expected to remain weak at the early hours of trade and may move upwards thereafter in the next day.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	20.10.05	19.10.05	Change
Guar Seed	Bikaner	1725	1725	-
	Jodhpur-B line	1810-1820	1800	+20
	Jodhpur-M line	1790	1775	+15
Guar Gum	Nokha	1640	1640	-
	Jodhpur	4750	4750	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	376.50	375.80	375.00	-1.50
Jan.	362.50	364.00	362.90	+0.40

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a mixed sentiment during today's trade. The November contract settled lower today, while the January contract managed to finish in the positive territory.

SALIENT POINTS OF THE DAY

Guar seed and gum futures traded range bound today on alternate buying and selling interest.

Dry weather prevailed over major guar growing regions.

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

WEATHER HIGHLIGHTS (20-10-05)

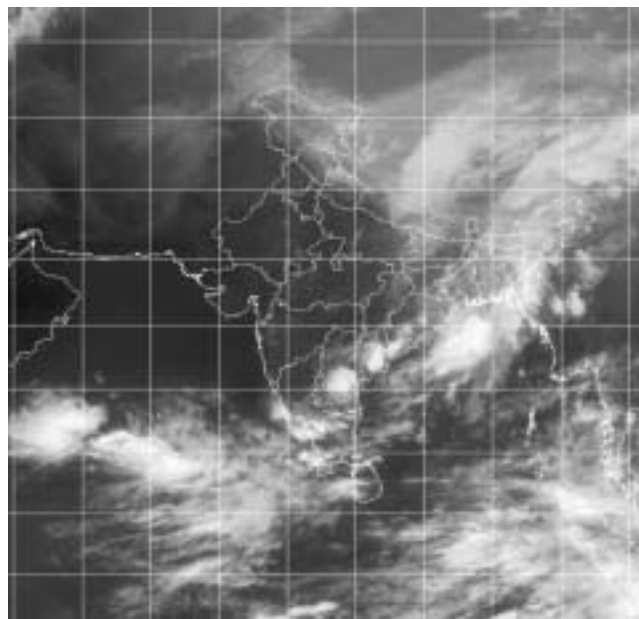
The feeble low-pressure area over Coastal Andhra Pradesh and adjoining west central Bay of Bengal persists. Associated upper air cyclonic circulation now extends upto 2.1 km a.s.l. Under its influence scattered rainfall is likely over south Peninsula during next 48 hours.

The upper air cyclonic circulation over east-central Arabian Sea has become less marked.

A fresh upper air cyclonic circulation extending between 1.5 km & 3.6 km a.s.l. has formed over Orissa and neighbourhood. A trough in the middle troposphere runs nearly along Long. 78 deg E and north of Lat. 20 deg N. Under their influence enhanced rainfall with heavy to very heavy falls is likely over northeastern States, West Bengal & Sikkim and Coastal Orissa during next 2-3 days.

Rain/ thundershowers likely at a few places over East Uttar Pradesh and isolated over Himachal Pradesh and Uttaranchal. Mainly dry weather likely in the rest region.

Cloud Cover today (IMD):



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