

GUAR SEED and GUAR GUM

October 18-24, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Maintained Strength at Spot Markets
- Guar Futures Settled Higher after Curbing Weekend Slid

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures remained mostly firm in this week under review. The guar seed futures started this week with a positive note and tested this week's high on Tuesday. However, the futures failed to extend the advances further on profit booking and traded range bound during the mid-week. The guar seed futures witnessed huge slid on Friday and tested this week's low on Saturday. However, during Monday's trade the guar seed futures settled higher on buying support at the lower price levels and pared the earlier slid. The guar physical markets also witnessed similar sentiments in this week. Expectations of a lower crop in this year have underpinned the firm sentiments in the physical markets in this week. The Bikaner line 98% whitish guar seed was quoted in the range of Rs 1750-1830 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained between Rs 1680-1740 per quintal during this week. At the Nokha market also it was quoted higher between Rs 1600-1650 per quintal during this week.

The guar physical markets witnessed a strong sentiment and the prices of both the guar seed and guar gum moved up after remaining at steady levels during the last weekend. The spillover strength from the futures market has lifted up the physical market sentiments and prices jumped up 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. Under such circumstances the physical markets sentiments remained firm and prices are on the uptrend. 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 expected to remain weak in the coming couple of days with possibility of an upward correction from the mid-week.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
17.10.05	1680-1690	1750	1725	1600
24.10.05	1740	1830	1800	1650
Change	+60	+80	+75	+50

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also remained on an average firm in this week. The guar gum futures started this week with positive gains and tested this week's high on Tuesday. At the physical markets also guar gum was traded with a similar firm sentiment in this week. Speculative-led buying has supported the uptrend in physical as well as the futures market in this week.

At the physical markets guar gum was traded in a higher range of Rs 4550-4700 per quintal in Jodhpur market during this week.

Price Movement of Guar Seed and Gum at NCDEX Vayda (Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
17.10.05	1629.00	1610.35	4375.75
18.10.05	1704.20	1673.50	4551.45
19.10.05	1731.20	1693.15	4594.90
20.10.05	1738.00	1704.50	4631.90
21.10.05	1678.50	1672.15	4513.60
22.10.05	1680.25	1676.00	4533.95
24.10.05	1705.70	1688.80	4585.30
Change (Rs)	+76.70	+78.45	+209.55

Guar Seed Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
17.10.05	1672	1752	1695	1785	-	-
18.10.05	1781	1762	1805	1801	-	-
19.10.05	1751	1778	1803	1825	-	-
20.10.05	1784	1777	1834	1826	-	-
21.10.05	1787	1717	1825	1761	1872	1793
22.10.05	1700	1737	1752	1784	1785	1818
24.10.05	1744	1768	1794	1827	1826	1869

Guar Gum Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
17.10.05	4357	4576	4370	4675	-	-
18.10.05	4645	4595	4710	4691	-	-
19.10.05	4565	4652	4613	4745	-	-
20.10.05	4650	4680	4725	4769	-	-
21.10.05	4654	4509	4757	4601	4830	4693
22.10.05	4544	4564	4586	4656	4650	4742
24.10.05	4598	4678	4715	4779	4769	4882

WEATHER WATCH (24.10.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

An upper air cyclonic circulation has formed over southwest Bay of Bengal. This is likely to concentrate into a low-pressure area within next 24 hours and move initially in a northwesterly direction. This is expected to enhance the rainfall activity with chance of isolated heavy to very heavy rainfall over south Peninsula especially in Tamil Nadu and South Coastal Andhra Pradesh during next 2-3 days. The predictions also indicate further intensification of the system, its north-northwestward movement and occurrence of renewed rainfall activity over east coast viz., coastal Andhra Pradesh and Orissa in subsequent period. Yesterday's trough extending from north Coastal Andhra Pradesh to Sub-Himalayan West Bengal & Sikkim in lower tropospheric levels has become less marked. The trough in the middle troposphere has moved away eastwards. The rainfall over Northeastern States, West Bengal & Sikkim and Orissa has decreased during past 24 hours. The prediction suggests that the rainfall activity over these areas may further decrease. A Western disturbance in the form of an upper air circulation lies over North Pakistan and

neighbourhood. It may cause isolated rain/snow over Jammu & Kashmir and Himachal Pradesh during next 2 days.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Isolated rain/ snow is expected over J & K and Himachal Pradesh during next 48 hours. Mainly dry weather is likely to prevail over rest areas of the region.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Scattered rainfall activity is expected over North-eastern States, Sub-Himalayan West Bengal & Sikkim and north coastal Orissa. Isolated rains are likely over rest areas except in East UP, where mainly dry weather may prevail during next 2 days. Further reduction of rainfall activity is expected over the region subsequently.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely over the region except some parts of Chhattisgarh where isolated rains may occur during next 24 Hrs.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

The rainfall activity is likely to enhance over entire region during next 24 hours. Fairly widespread to widespread rains with isolated heavy to very heavy rains are expected over Tamil Nadu & Pondicherry, Coastal Andhra Pradesh, Kerala, Coastal and South Interior Karnataka and Andaman & Nicobar Islands during next 2-3 days. Scattered to Fairly widespread rains are also likely over rest areas of the region during this period. The widespread rainfall activity with heavy falls is likely to extend to North Coastal Andhra Pradesh subsequently.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Isolated to scattered rainfall activity is expected over Konkan & Goa. Mainly dry weather is likely to prevail over rest areas of the region.

Source: GOI (NCMRWF& IMD)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX November Contract

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

Stochastic: The stochastic is moving downwards; the % -K line after cutting the % -D line from above moving downwards in the normal region, showing further downtrend.

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

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

Market Outlook:

Guar seed prices are expected to open firm and trade moderately upwards initially and downwards thereafter. The futures are likely to get supported and may move upwards from the mid-week.



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

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

Stochastic: The stochastic is moving downwards; the % -K line after cutting the % -D line from above moving downwards in the normal region, hinting further downtrend.

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

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

Market Outlook:

Guar gum prices are expected to open firm and trade moderately upwards initially and downwards thereafter. The futures are likely to get supported and may move upwards from the mid-week.



FOREX: (24.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.14
European Union	Euro	53.94
United Kingdom	GBP	79.73
Japan	100 Yen	39.05

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