

GUAR SEED and GUAR GUM

October 04-10, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Weak at Spot Markets
- Guar Futures Finished Lower on Profit Booking

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures remained mostly weak in this week. The guar seed futures witnessed biggest loss on Tuesday and thereafter it was traded with a mixed sentiment. The futures witnessed some buying support at the lower price levels and moved upwards. However, profit booking curbed further advances and the futures moved southwards again during the weekend. The guar seed futures witnessed this week's high on Tuesday and slid to this week's low on Wednesday. The guar physical markets also witnessed similar sentiments in this week. Uncertainty over the size of the present crop has underpinned the both-ways movement in guar prices in the physical as well as the futures market. The Bikaner line 98% whitish guar seed was quoted in the range of Rs 1625-1675 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained between Rs 1550-1605 per quintal during this week. At the Nokha market it was quoted between Rs 1450-1515 per quintal during this week.

As per various forecasts of government agencies like IMD and NCRMWF, Retreat of southwest monsoon is stalled for few days atleast now from the remaining parts of Chhattisgarh and Maharashtra due to the strengthening of an existing upper air cyclonic circulation in to a low-pressure area today over the south Bay of Bengal surrounding the Bay Islands. The model predictions indicate that the hilly regions of Himachal, Uttaranchal, J & K where isolated to scattered rainfall activity is expected for next 3-4 days due to the prevalence of an upper air cyclonic circulation extending upto 3.1 km a.s.l. over Himachal Pradesh and neighbourhood. Mainly dry weather has prevailed over guar growing regions. The guar prices are expected to remain strong in the coming 1-2 days and likely to consolidate from the mid-week. Some downward movement in prices is likely in the last half of the coming week.

Spot Market Prices of Guar in Main Markets of Rajasthan (Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
03.10.05	1625-1650	1700-1725	1675-1700	1525-1550
10.10.05	1600	1675	1650	1510-1515
Change	-50	-50	-50	-35

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also remained mainly weak in this week. The guar gum futures witnessed huge slid on Tuesday and tested this week's low on Wednesday. However, the futures remained mostly range bound thereafter. At the physical markets also guar gum was traded with a similar sentiment in this week. The guar gum prices got some buying support at the lower price levels but profit booking capped further advances.

At the physical markets guar gum was traded in the range of Rs 4200-4300 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
03.10.05	1616.40	1582.70	4332.15
04.10.05	1565.05	1555.65	4220.80
05.10.05	1569.30	1535.45	4209.65
06.10.05	1582.50	1560.05	4261.70
07.10.05	1625.10	1586.05	4330.70
08.10.05	1563.55	1548.40	4198.95
10.10.05	1589.50	1567.50	4252.40
Change (Rs)	-26.90	-15.20	-79.75

Guar Seed Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
03.10.05	1570	1652	1599	1684	1617	1705
04.10.05	1660	1576	1711	1603	1729	1619
05.10.05	1585	1595	1610	1625	1615	1644
06.10.05	1600	1622	1639	1665	1658	1687
07.10.05	1627	1616	1671	1657	1690	1682
08.10.05	1605	1586	1650	1623	1674	1646
10.10.05	1598	1606	1620	1651	1645	1678

Guar Gum Futures Prices at NCDEX

Dates	Oct. Futures		Nov. Futures		Dec. Futures	
	Open	Close	Open	Close	Open	Close
03.10.05	4105	4317	4180	4413	4259	4492
04.10.05	4420	4109	4450	4189	4585	4261
05.10.05	4124	4162	4200	4234	4299	4312
06.10.05	4200	4211	4280	4303	4349	4379
07.10.05	4240	4210	4300	4285	4355	4381
08.10.05	4180	4107	4246	4202	4346	4294
10.10.05	4158	4190	4249	4274	4272	4366

WEATHER WATCH (09.10.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

Rainfall has been of fairly widespread in nature with isolated heavy showers during past 24hrs over parts of Tamil Nadu & Pondicherry, Lakshadweep and South Interior Karnataka. Retreat of southwest monsoon is stalled for few days atleast now from the remaining parts of Chhattisgarh and Maharashtra due to the strengthening of an existing upper air cyclonic circulation in to a low-pressure area today over the south Bay of Bengal surrounding the Bay Islands. It is expected to get organized slowly in to a well-marked low-pressure area and move very slowly in westerly / northwesterly direction in coming days. The model predictions indicate that the hilly regions of Himachal, Uttaranchal, J & K where isolated to scattered rainfall activity is expected for next 3-4 days due to the prevalence of an upper air cyclonic circulation extending upto 3.1 km a.s.l. over Himachal Pradesh and neighbourhood. The upper air cyclonic circulation over East UP and adjoining Bihar, that was expected to weaken by now earlier, still exists and is likely to induce isolated to scattered rainfall over parts of Bihar for next 24-48hours. As per our earlier assessment, predictions continue to suggest that beginning from 10th October 2005, favourable

conditions are to continue for onset of NE Monsoon over Tamil Nadu & adjoining states with the movement of low pressure area towards the east coast of peninsular India from south Bay of Bengal. Hence, the enhanced level of rainfall activity over Tamil Nadu & adjoining states of south coastal Andhra Pradesh, Rayalaseema, Kerala and south Interior Karnataka etc. is expected to continue in coming days.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Hilly regions of north India and NW India (J&K, HP, UTTARANCHAL) are likely to experience isolated to scattered rainfall activity and mainly dry weather is likely to prevail over rest of the regions.

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

While sub-Himalayan West Bengal & Sikkim are likely to experience isolated spells of activity, Orissa, Gangetic West Bengal and NE states can experience scattered to fairly widespread rains in coming days. Mainly dry weather is likely to prevail over rest of the regions.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail over the region expect Vidarbha where isolated showers are expected during next 4-5 days.

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

Tamil Nadu, south interior Karnataka, Rayalaseema, parts of Telangana, Kerala and coastal Andhra Pradesh are likely to experience scattered to fairly widespread with spells of heavy rainfall activity in some areas. Islands over Bay of Bengal and Arabian Sea are also expected to receive scattered to fairly widespread rains for next 24-48hours as well. Isolated rainfall activity is expected over rest of the regions.

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

North Konkan and Madhya Maharashtra are likely to experience isolated to scattered rainfall activity. 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 October Contract

Candlestick: Formation of candlestick pattern is showing short-term uptrend 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 after cutting its EMA in negative region, hinting 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 range bound upward initially. The futures are likely to consolidate and may move downwards from the mid-week.



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

Candlestick: Formation of candlestick pattern is showing a short-term uptrend and firm opening.

Stochastic: The % -K line has just started moving upwards in the normal region showing short-term uptrend. However, the % -D line is still moving downwards, supporting the downtrend.

MACD: The MACD (5-day) is moving upwards after cutting its EMA in negative region, showing strength in the market.

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

Market Outlook:

Guar gum prices are expected to open firm and trade range bound upward initially. The futures are likely to consolidate and may move downwards from the mid-week.



FOREX: (10.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.62
European Union	Euro	54.15
United Kingdom	GBP	78.61
Japan	100 Yen	39.25

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