

GUAR SEED and GUAR GUM

October 29, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Settled Up; Pared Early Weakness

TECHNICAL ANALYSIS

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

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

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

MACD: The MACD (5-day) is about to cut its EMA from above in the positive territory, supporting the weakness in the market.

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

Market outlook:

Guar seed futures are expected to trade slightly downwards following a firm opening initially and upward thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1716	1705	1745	1755
Dec.	1769	1754	1814	1832



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

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

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

MACD: The MACD (5-day) is about to cut its EMA from above in the positive territory, supporting the weakness in the market.

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

Market outlook:

Guar gum futures are likely to trade slightly downwards following a firm opening initially and upward thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4557	4528	4676	4700
Dec.	4652	4616	4765	4800



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening at the early hours of trade. However, the futures retrace back again and settled near to the day's high on increased buying support at the lower price levels. The November future traded in the range of 1697.00-1723.00 during today's trade. At the spot markets guar seed was quoted steady at Rs 1790 per quintal in Jodhpur market today. At the Bikaner market it was available at a higher price of Rs 1700 per quintal, while at the Nokha market it was offered at Rs 1615-1620 per quintal today. The guar gum futures at the NCDEX also remained bearish after a firm opening at the early hours of trade. However, the futures settled near to the day's high on increased buying support at the lower price levels. The November future traded in the range of 4505.00-4590.00 today. At the spot markets guar gum was quoted higher at Rs 4600 per quintal in Jodhpur market today.

The guar physical markets witnessed moderate strength after paring early weakness today. The spillover strength of the futures market has underpinned the upside movement of the prices of guar seed and guar gum at the physical markets today. The agriculture ministry of Rajasthan has projected the guar production in the state to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. Moreover, the traders are estimating further lower crop size in this year. Under such circumstances the physical markets sentiments remained firm and prices were hovering near the higher levels for the last couple of days. 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 likely to remain slightly weak initially and upward thereafter in the next day.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)				
Commodity	Centres	29.10.05	28.10.05	Change
Guar Seed	Bikaner	1700	1690	+10
	Jodhpur-B line	1790	1790	-
	Jodhpur-M line	1765	1765	-
	Nokha	1615-1620	1600-1605	+15
Guar Gum	Jodhpur	4600	4575	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	367.20	367.00	368.00	+0.80
Jan.	354.00	353.00	356.80	+2.80

Price Movements at Bikaner Vayda

The Bikaner vayda retrace back from initial bearishness after a weak opening today. The November and the January contract settled up on increased buying support.

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 slightly downwards following a firm opening initially and upwards thereafter.

WEATHER HIGHLIGHTS (29-10-05)

The deep depression over south Coastal Andhra Pradesh near Ongole weakened into depression over the same area at 1730 hours IST of 28.10.2005. This system continues to remain practically stationary and now lay centred at 0830 hrs IST of 29.10.2005 about 50 km west of Ongole. It is likely to move very slowly in a west-northwesterly direction and weaken gradually. Under its influence, fairly widespread rains with isolated heavy to very heavy falls likely over Andhra Pradesh during next 24 hours and is likely to decrease significantly thereafter.

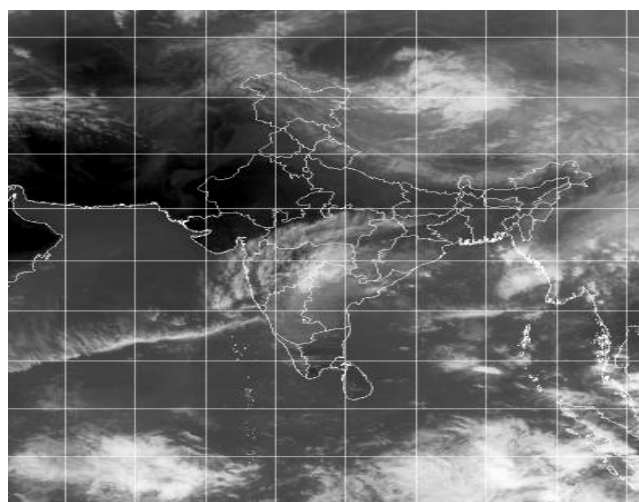
NORTH: Mainly dry weather is likely over the region.

EAST: Rain/thundershowers likely at many places over coastal Orissa; at a few places over rest Orissa, coastal West Bengal and south Chhattisgarh and isolated in the rest region outside Bihar, Jharkhand, and East Madhya Pradesh where weather may be mainly dry.

SOUTH: Rain/thundershowers likely at many places over Andhra Pradesh; at a few places over Andaman & Nicobar Islands and Interior Karnataka and isolated in the rest region. Rainfall over Andhra Pradesh is likely to decrease from 31st morning onwards

WEST: Isolated rain/thundershowers likely over south Konkan & Goa, south Madhya Maharashtra, Marathwada and Vidarbha. Mainly dry weather likely in the rest region.

Cloud Cover today (IMD):



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