

GUAR SEED and GUAR GUM

October 19, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Previous Advances
- Guar Futures: Settled Higher on Speculative Buying

TECHNICAL ANALYSIS

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

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

Stochastic: The %K-line along with the %D-line moving upwards in the normal region, hinting further uptrend.

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

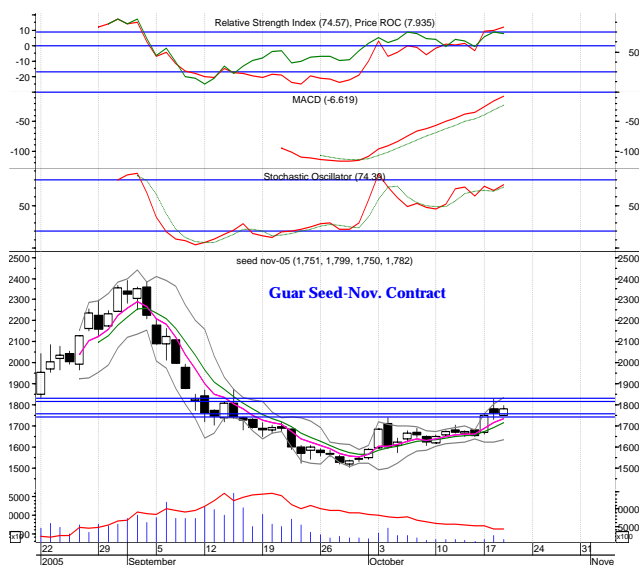
Alignment pattern: The alignment pattern of moving averages is also supporting the upward movement.

Market outlook:

Guar seed futures are expected to trade upwards following a firm opening with possibility of some downward movement 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.	1699	1684	1751	1765
Nov.	1760	1745	1816	1830
Dec.	1807	1788	1870	1885



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

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

Stochastic: The %K-line along with the %D-line moving upwards in the normal region, hinting further uptrend.

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

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

Market outlook:

Guar gum futures are likely to trade upwards following a firm opening with possibility of some downward movement 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.	4507	4471	4637	4670
Nov.	4582	4547	4741	4788
Dec.	4671	4631	4849	4894



MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX traded range bound with a bullish undertone following a weak opening today. Increased buying interest at the lower price levels pared the morning slid and the futures settled in the higher side. The November future traded in the range of 1750.00-1799.00 today. At the spot markets guar seed was quoted higher at Rs 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered higher at Rs 1725 per quintal, while at the Nokha market it was available at a higher price of Rs 1640 per quintal today. The guar gum futures at the NCDEX witnessed a similar sentiment today after a weak opening. Increased buying interest at the lower price levels pushed up the futures from the morning slid. The November future traded in the range of 4560.00-4700.00 today. At the spot markets also guar gum was quoted higher at Rs 4750 per quintal in Jodhpur market at the evening session of trade.

The guar physical markets extended its previous strength today. Amidst speculative buying at the futures market the prices of both the guar seed and guar gum witnessed some upward movement in the futures as well as the physical markets. 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 estimation of such lower crop has lifted up the market sentiments. Moreover, the arrival of the crop at the major guar markets is at the initial stage and traders are estimating that the arrival would increase significantly in the coming month. The market is likely to remain firm till the arrival picks up. The prices of guar seed and guar gum are expected to remain moderately strong in the next day with possibility of some downward movement later in the session.

Guar Prices at Major Markets in Rajasthan

(Rs./quintal)

Commodity	Centres	19.10.05	18.10.05	Change
Guar Seed	Bikaner	1725	1690-1700	+35
	Jodhpur-B line	1800	1775	+25
	Jodhpur-M line	1775	1750	+25
	Nokha	1640	1600-1610	+40
Guar Gum	Jodhpur	4750	4600	+150

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	375.00	376.50	376.50	+1.50
Jan.	359.50	361.00	362.50	+3.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bullish sentiment after a firm opening today. The November as well as the January contract finished higher on speculative buying support.

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher on speculative-led buying.

Dry weather prevailed over major guar growing regions.

Prices are likely to move upwards following a firm opening with possibility of some downward movement later in the session.

WEATHER HIGHLIGHTS (19-10-05)

The Western Disturbance as an upper air system over extreme northwest Jammu & Kashmir has moved away northeastwards. Consequently dry weather conditions are likely over the state during next 3-4 days.

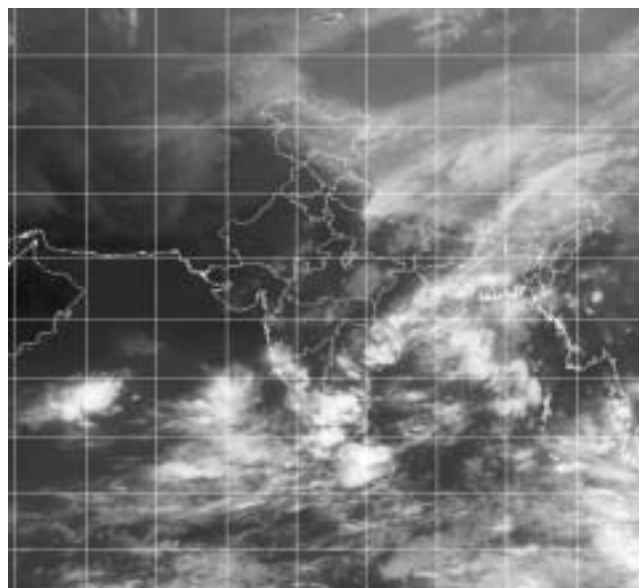
The night temperatures over Jammu & Kashmir have fallen by 1-3 °C. They may fall further for another 1-2 days after which they are likely to stabilize.

The feeble low-pressure area over southwest and adjoining westcentral Bay of Bengal off south Andhra - north Tamil Nadu coasts persists. Under its influence fairly widespread rainfall with isolated heavy falls is likely over south Peninsula during next 48 hours.

The upper air cyclonic circulation over East Uttar Pradesh and neighbourhood has become less marked.

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

Cloud Cover today (IMD):



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