

GUAR SEED and GUAR GUM

November 17, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Strong Today
- Guar Futures: Settled Up on Speculative Buying

TECHNICAL ANALYSIS

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

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

Stochastic: The %K-line has started moving upwards and it has entered the normal region from the oversold region, hinting short-term uptrend. However the %D-line is still moving downwards in the normal region.

MACD: The MACD (5-day) has made a bearish crossover with its EMA and moving downwards, supporting the weakness in the market.

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

Market outlook:

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

Support and Resistance Level for Guar Seed:

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| Nov. | 1646 | 1635 | 1682 | 1692 |
| Dec. | 1709 | 1700 | 1743 | 1751 |



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

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

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

MACD: The MACD (5-day) has made a bearish crossover with its EMA in the positive territory, supporting the weakness in the market.

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

Market outlook:

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

Support and Resistance Level for Guar Gum:

| Contract | Support | | Resistance | |
|----------|---------|------|------------|------|
| | 1st | 2nd | 1st | 2nd |
| Nov. | 4449 | 4433 | 4535 | 4550 |
| Dec. | 4537 | 4522 | 4634 | 4649 |



SALIENT POINTS OF THE DAY

Guar seed and gum futures settled slightly higher after paring morning losses.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move moderately upwards initially and downwards thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upward movement following a weak opening today. Amidst a low volume trade the futures pared the morning losses and settled with slight gains in late action. The December future traded in the range of 1715.00-1735.00 today. At the spot markets guar seed was quoted slightly higher at Rs 1735-1740 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a higher price of Rs 1660 per quintal, while at the Nokha market it was traded at a higher price of Rs 1575-1580 per quintal today. At the Sriganganagar market it was offered at a higher price of Rs 1565 per quintal, while at the Shiwani market it was quoted higher at Rs 1550-1560 per quintal today.

GUAR GUM:

The guar gum futures at the NCDEX traded upwards after a weak opening today. The futures recovered from the early weakness on increased buying support at the lower price levels and finished with some gains in final action. The December future traded in the range of 4552.00-4612.00 today. At the spot markets guar gum was quoted higher at Rs 4525-4530 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a firm sentiment during today's trade. The prices of both the guar seed and guar gum remained weak at the morning session of trade but recovered well on a moderate arrival at the major physical markets. The crop arrivals at the major market are getting momentum and the prices are facing a downward pressure. However, for a long-term perspective the prices are likely to remain at a higher territory, which is encouraging the long-term buyers to enter the market even at the present levels. Under such circumstances the prices

of both the guar seed and guar gum are expected to move moderately upwards initially and downwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

| Commodity | Centres | 17.11.05 | 16.11.05 | Change |
|-----------|----------------|-----------|-----------|--------|
| | Bikaner | 1660 | 1640 | +20 |
| Guar Seed | Jodhpur-B line | 1735-1740 | 1725 | +10 |
| | Jodhpur-M line | 1710 | 1700 | +10 |
| | Nokha | 1575-1580 | 1570-1575 | +5 |
| | Sriganganagar | 1565 | 1550 | +15 |
| | Shiwani | 1550-1560 | 1545-1550 | +10 |
| Guar Gum | Jodhpur | 4525-4530 | 4500 | +25 |

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open | Close | Change |
|----------|-------------|--------|--------|--------|
| Nov. | 363.50 | 363.50 | 363.30 | -0.20 |
| Jan. | 348.00 | 348.10 | 350.00 | +2.00 |

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a mixed sentiment during today's trade following a steady to firm opening today. The November future settled slightly lower, while the January future finished higher today after both futures pared most of the early losses.

WEATHER HIGHLIGHTS (17-11-05)

Favourable dry weather is prevailing over major guar growing regions of Rajasthan, Haryana and Gujarat.

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