

GUAR SEED and GUAR GUM

November 11, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Strength Today
- Guar Futures: Settled Higher on Increased 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 after cutting the %D-line from below moving sharply upwards in the normal region, showing further uptrend.

MACD: The MACD (5-day) has made a bullish crossover with its EMA and moving upwards, supporting short-term 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 moderately upwards following a 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.	1724	1710	1758	1770
Dec.	1775	1761	1818	1834



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

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

Stochastic: The %K-line after cutting the %D-line from below moving sharply upwards and entered overbought region, hinting further uptrend.

MACD: The MACD (5-day) has made a bullish crossover with its EMA in the positive territory, supporting short-term 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 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.	4623	4591	4730	4768
Dec.	4718	4673	4830	4874



SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher on increased buying support at the lower price levels.

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 traded moderately downwards initially following a firm opening. However, increased buying interest at the lower price levels pushed up the futures further. The November future traded in the range of 1714.00-1740.00 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 at a much higher price of Rs 1710 per quintal, while at the Nokha market it was traded at an unchanged price of Rs 1625-1630 per quintal today. At the Sriganganagar market it was available steady at Rs 1615 per quintal, while at the Shiwani market it was quoted steady at Rs 1580-1590 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded moderately downwards after a weak opening at the early hours of trade. However, increased buying support at the lower price levels supported the futures to move up further. The November future traded in the range of 4614.00-4685.00 today. At the spot markets guar gum was quoted slightly lower at Rs 4650-4675 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended the firm sentiment today. The prices of guar seed were quoted steady to higher at major physical markets, as the arrival of the crop remained steady today. The spillover strength from the futures markets has also underpinned the firm sentiment at the physical markets. According to trade estimation the present crop size should be around 45 lakh bags and as a result the prices are fluctuating near the higher levels from the last few weeks. However, a higher arrival in the coming days may well pressurise the prices to slid significantly. Under such circumstances the prices of both the guar seed

and guar gum are likely to move moderately upwards initially and downwards thereafter in the next day.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	11.11.05	10.11.05	Change
	Bikaner	1710	1680	+30
Guar Seed	Jodhpur-B line	1800	1775	+25
	Jodhpur-M line	1775	1750	+25
	Nokha	1625-1630	1625-1630	-
	Sriganganagar	1615	1615	-
	Shiwani	1580-1590	1590	-
Guar Gum	Jodhpur	4650-4675	4675-4700	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	366.40	365.60	366.00	-0.40
Jan.	357.90	356.00	360.90	+3.00

Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda witnessed some uptrend following a weak opening today. The January future settled much higher on increased buying interest for long term. However, the November future finished slightly lower on profit taking at the higher levels.

WEATHER HIGHLIGHTS (11-11-05)

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

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