

GUAR SEED and GUAR GUM

November 01-07, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Retraced Back at Spot Markets
- Guar Futures Curbed Early Losses during Weekend

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures started the week in the negative territory during the Muharat trading on Tuesday. The futures extended the weakness and tested this week's low on Friday. However, increased buying interest at the lower price levels pushed up the futures again and the guar seed futures retraced back on Saturday. The guar seed futures tested this week's high on Monday but failed to carry forward it and settled slightly lower on increased selling interest at the higher price levels. The guar physical markets also witnessed similar sentiments during this week. The spillover weakness from the futures market underpinned the downtrend in the prices of guar seed during the first half of this week. But the prices managed to cover early losses during the later half of this week. The Bikaner line 98% whitish guar seed was quoted between Rs 1700-1775 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained in the range of Rs 1650-1680 per quintal during this week. At the Nokha market it was offered between Rs 1530-1550 per quintal during this week. At the Sriganganagar market it was available in the range of Rs 1550-1615 per quintal, while at the Shiwani market it was traded in the range of Rs 1530-1550 per quintal during the weekend.

The guar physical markets witnessed a bearish sentiment during the first couple of days. However, the price of both the guar seed and guar gum managed to wipe away the early losses during the last couple of days. Despite higher arrivals at the physical markets the prices of guar seed remained on an average steady to firm in major markets during the weekend. Traders are estimating the present crop size at around 45 lakh bags and consequently the prices are hovering near the higher levels from the last few weeks at the physical markets. However, anticipating a further higher arrival in the coming days, the prices may undergo some downtrend in the coming days. Under such circumstances the prices guar seed is expected to remain firm in the coming week with possibility of some downward movement 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	
31.10.05	1680	1775	1750	Closed
07.11.05	1680	1740-1750	1725	1580-1590
Change	-	-25	-25	-

Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed similar sentiments during this week. The guar gum futures remained highly bearish early in this week, but pared the losses during the weekend. Increased buying interest at the lower price levels underpinned the uptrend in guar gum futures during the last couple of days.

At the physical markets guar gum was traded in the range of Rs 4425-4550 per quintal in Jodhpur market during this week. The prices of guar gum are likely to remain firm with possibility of some downward movement during the last half of the coming week.

Price Movement of Guar Seed and Gum at NCDEX Vayda (Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
31.10.05	1702.80	1685.45	4575.75
01.11.05	Closed	Closed	Closed
02.11.05	Closed	Closed	Closed
03.11.05	1655.00	1649.30	4492.95
04.11.05	1616.50	1620.70	4407.35
05.11.05	1622.35	1629.70	4427.00
07.11.05	1656.75	1647.10	4522.35
Change (Rs)	-46.05	-38.35	-53.40

Guar Seed Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
31.10.05	1725	1715	1784	1767	1828	1803
01.11.05	1715	1692	1762	1737	1801	1768
02.11.05	losed	losed	losed	losed	losed	losed
03.11.05	losed	losed	losed	losed	losed	losed
04.11.05	1682	1648	1730	1693	1765	1730
05.11.05	1652	1699	1698	1754	1724	1802
07.11.05	1700	1696	1755	1751	1810	1795

Guar Gum Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
31.10.05	4599	4552	4680	4650	4790	4746
01.11.05	4545	4490	4644	4577	4760	4670
02.11.05	losed	losed	losed	losed	losed	losed
03.11.05	losed	losed	losed	losed	losed	losed
04.11.05	4420	4351	4526	4451	4621	4547
05.11.05	4325	4512	4435	4613	4535	4710
07.11.05	4510	4507	4585	4601	4685	4700

WEATHER WATCH (06.11.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

Scattered to fairly widespread rainfall activity with isolated heavy amounts has been realised during the last 24hrs over Tamil Nadu, Kerala, Lakshadweep, coastal Karnataka, Andaman & Nicobar Islands and coastal Andhra Pradesh with significant amounts of rainfall recorded at Chennai-11cm, Cuddalore-9cm, Karaikal-12cm, Nagapattanam-10cm, Minicoy-4cm, Kochi and Kozhicode - 2cm each, Mangalore-1cm. Isolated to scattered rainfall is realized over south interior Karnataka and Rayalaseema as well.

Yesterday's low pressure area over southwest Bay of Bengal still persists today over the southwest Bay adjoining Srilanka with a slight westward movement observed since yesterday. It is expected that the low-pressure system is likely to move very slowly in west northwesterly direction in coming days and cross over to the Arabian Sea. Under this scenario, scattered to fairly widespread rainfall with isolated heavy falls at some places are likely over Tamil Nadu & Pondicherry, south coastal Andhra Pradesh, Kerala, south interior Karnataka, Rayalaseema and Lakshadweep in coming 3-4 days. North interior Karnataka, coastal

Karnataka, Telangana, parts of Chattisgarh is likely to receive isolated to scattered rainfall in coming days.

A weak westerly trough over Northeast Bay of Bengal and neighbourhood persists even today. It is expected that isolated to scattered rainfall activity to continue over NE states of Nagaland, Manipur, Mizoram, Tripura and Arunachal Pradesh at least for next 2-days.

Currently fair weather persists over J & K and a fresh upper air cyclonic circulation associated with the passing westerly trough is likely to extend over J & K by 7th Nov., 2005 and is expected to give isolated to scattered rain/snow over Jammu & Kashmir initially and subsequently over hills of Himachal and Uttaranchal.

NORTH & NO NORTH RTH RTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Dry weather is likely to prevail over the region with a fall in night temperatures for 1-day or so. Subsequently, isolated to scattered snow/rains are expected over J & K, H.P., Uttaranchal.

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

Isolated to scattered rainfall activity is expected over North-eastern States for next 2-3 days only. Mainly dry weather may prevail subsequently.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail over the region except over Chhattisgarh where isolated to scattered rains are expected for next 1-2 days.

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

Scattered to widespread rainfall with isolated heavy amounts is likely over Tamil Nadu & Pondicherry, south coastal Andhra Pradesh, Rayalaseema, south interior Karnataka, Kerala and Lakshadweep. Isolated to scattered to rainfall is expected over Telangana, north interior Karnataka and Bay Islands.

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

Mainly dry weather is likely to prevail over the region.

Source: GOI (NCMRWF& IMD)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX November Contract

Candlestick: Formation of candlestick is showing a slightly bearish pattern and steady opening.

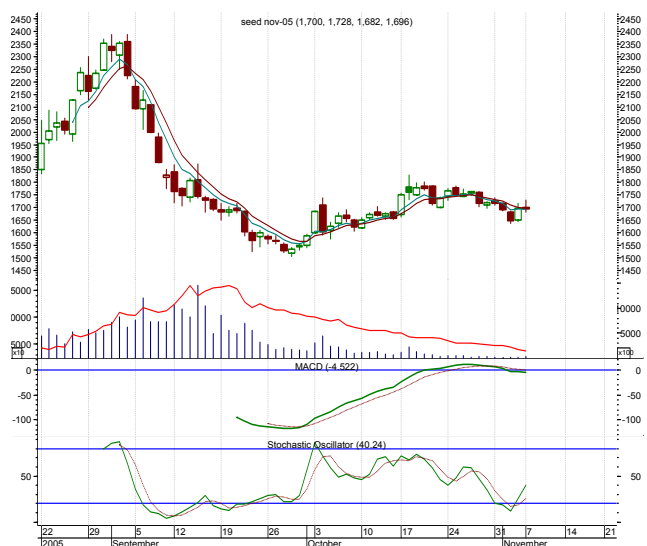
Stochastic: The stochastic is moving upwards; the % -K line after cutting the % -D line from below moving upwards in the normal region, indicating further upward movement.

MACD: The MACD (5-day) has made a bearish crossover with its EMA in positive region and moving downwards in the normal region, supporting the weakness 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 steady and trade upwards in the coming couple of days. However, the futures are likely to get resisted and may move downwards from the mid-week.



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

Candlestick: Formation of candlestick is showing a slightly bearish pattern and steady opening.

Stochastic: The stochastic is moving upwards; the % -K line after cutting the % -D line from below moving upwards in the normal region, showing further uptrend.

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

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

Market Outlook:

Guar gum prices are expected to open steady and trade upwards in the coming couple of days. However, the futures are likely to get resisted and may move downwards from the mid-week.

**FOREX: (07.11.05)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.67
European Union	Euro	53.91
United Kingdom	GBP	79.92
Japan	100 Yen	38.74

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