

GUAR SEED and GUAR GUM

November 18, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Stable Sentiment
- Guar Futures: Settled Down on Speculative Selling

TECHNICAL ANALYSIS

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

Candlestick: Formation of candlesticks is showing a bearish pattern and weak opening.

Stochastic: The %K-line is moving upwards in the normal region, hinting short-term uptrend. However, the %D-line is moving downwards in the normal region, supporting the downward movement.

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

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

Market outlook:

Guar seed futures are expected to trade downwards following a weak opening with possibility of some upward movement later. Trade with very-short term outlook.

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Dec.	1690	1681	1736	1746
Jan.	1750	1740	1792	1800



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

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

Stochastic: The %K-line is moving upwards and it has entered in the normal region. Moreover, the %K-line is about to cut the %D-line from below, showing short-term uptrend.

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 also supporting the downtrend.

Market outlook:

Guar gum futures are likely to trade downwards following a weak opening with possibility of some upward movement later. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Dec.	4528	4502	4620	4640
Jan.	4643	4626	4718	4734



SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower after paring morning advances on speculative selling.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move downwards following a weak opening with possibility of some upward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upward movement following a slightly higher opening today. However, increased selling interest at the higher levels capped the advances further and the futures finished with some losses in final action. The November future matured at a lower price of 1652.45 today. The December future traded in the range of 1719.00-1748.00 today. At the spot markets guar seed was quoted steady at Rs 1740 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1650 per quintal, while at the Nokha market it was traded steady at Rs 1575-1580 per quintal today. At the Sriganganagar market also it was available at an unchanged price of Rs 1565-1570 per quintal, while at the Shiwani market it was quoted slightly higher at Rs 1560-1565 per quintal today.

GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a slightly firm opening today. However, the futures turned downward thereafter as increased selling pressure capped the advances further. The November future expired at a lower price of Rs 4526.90 today. The December future traded in the range of 4593.00-4660.00 today. At the spot markets guar gum was offered at a steady price of Rs 4525 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a stable sentiment today. The prices of both the guar seed and guar gum were quoted on an average higher at the morning session of trade, but eventually the prices went down and finished mostly unchanged. Moderate arrival at the major physical markets supported the firm sentiment. However, the spillover weakness from the futures market has pressurised the prices to shed the morning gains. The crop arrivals at the major physical markets remained lower than usual expectations of a heavy arrival during these days. Traders are expecting the prices to rule firm if the arrival of the crop

maintains its present pace. However, for a short-term perspective the prices of both the guar seed and guar gum is expected to remain weak in the next day with possibility of some upward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	18.11.05	17.11.05	Change
Guar Seed	Bikaner	1650	1660	-10
	Jodhpur-B line	1740	1735-1740	-
	Jodhpur-M line	1715	1710	+5
	Nokha	1575-1580	1575-1580	-
	Sriganganagar	1565-1570	1565	-
	Shiwani	1560-1565	1550-1560	+5
Guar Gum	Jodhpur	4525	4525-4530	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	363.30	363.20	363.30	-
Jan.	350.00	351.90	348.90	-1.10

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment during today's trade following a firm opening today. The January future settled down after paring initial advances on increased selling interest. However, the November future finished unchanged before it expires tomorrow.

WEATHER HIGHLIGHTS (18-11-05)

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

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