

GUAR SEED and GUAR GUM

November 21-26, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Steady with Weak Trend
- Guar Futures: Witnessed Narrow Rangebound Trade

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started the week with a bearish sentiment. The futures failed to carry forward last weekend's advances and settled down on Monday's trade. However, the futures got supported thereafter and traded range bound for the major half of this week under review. The volume of trade remained lower than usual in this week and consequently the price fluctuations remained within a narrow range for the major half of this week. At the spot markets also the guar seed trade witnessed similar sentiments. At the Jodhpur market it was quoted in the range of Rs 1725-1760 per quintal during this week. At the Bikaner market it was offered between Rs 1625-1680 per quintal, while at the Nokha market it was traded in the range of Rs 1570-1615 per quintal during this week. At the Sriganganagar market it was available between Rs 1550-1600 per quintal, while at the Shiwani market it was quoted in the range of Rs 1560-1600 per quintal during this week.

The guar physical markets remained on an average stable with a bearish undertone in this week under review. Both the prices of guar seed as well as the guar gum hovered within a slightly lower range as against the last week. The crop arrivals at the major physical markets remained almost steady in this week at the higher side. However, the arrivals were lower than expectations and consequently the prices ruled steady. The present crop size is estimated to be around 4.5-5.0 lakh tonnes. Under such situations the prices of guar seed are expected to remain firm in the coming months. However, in the short-term the prices are facing the supply pressure. Under such circumstances the prices of guar seed are expected to remain weak during the first half of the coming week and likely to move upwards during the later half.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
19.11.05	1700	1770-1775	1750	1620-1625
26.11.05	1645	1735-1740	1705	1575-1580
Change	-55	-35	-45	-45

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also failed to extend previous weekend's advances in this week. The guar gum futures traded mostly range bound with a bearish undertone for the major half of this week. Alternate buying and selling interest kept the futures within a narrower range.

At the physical markets guar gum was quoted in the range of Rs 4575-4625 per quintal in Jodhpur market during this week. The prices of guar gum are likely to remain bearish during the first half of this week with possibility of some upward movement during the last half.

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

Dates	Bikaner	Jodhpur	Guar Gum
19.11.05	1672.25	1652.70	4534.85
21.11.05	1704.80	1668.25	4642.90
22.11.05	1676.00	1657.00	4593.65
23.11.05	1681.75	1658.65	4588.65
24.11.05	1691.40	1667.25	4628.35
25.11.05	1674.50	1667.50	4606.05
26.11.05			
Change (Rs)			

Guar Seed Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
19.11.05	1730	1766	1782	1830	-	-
21.11.05	1760	1747	1835	1810	1860	1859
22.11.05	1742	1735	1805	1789	1857	1837
23.11.05	1731	1751	1782	1814	1830	1859
24.11.05	1750	1739	1810	1796	1856	1842
25.11.05	1740	1736	1795	1796	1845	1842
26.11.05	1733	1712	1794	1762	1841	1813

Guar Gum Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
19.11.05	4592	4726	4725	4838	-	-
21.11.05	4710	4697	4850	4803	4894	4899
22.11.05	4739	4668	4806	4760	4890	4852
23.11.05	4672	4721	4775	4823	4830	4917
24.11.05	4723	4694	4825	4786	4911	4878
25.11.05	4698	4686	4799	4787	4887	4880
26.11.05	4707	4605	4795	4700	4889	4800

WEATHER WATCH (25.11.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

Yesterday's low-pressure area over central parts of southeast Arabian Sea persists. It is likely to move west-northwest direction. The rainfall activity over south Peninsula is likely to remain subdued during next 2-3 days. Another cyclonic circulation is likely to form over southeast Bay of Bengal during next 24-48 hrs. The system is likely to move westwards and influence south Peninsula after 27th November. A western disturbance (W.D.) is likely to approach hilly region of NW India on 27th November. The

W.D. is likely to cause precipitation over J&K, H.P., Uttaranchal and plains of NW India during 28-29 November 2005. The temperature is likely to fall over North India in wake of WD after 28th November 2005.

NORTH & NORTH NORTHWEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Scattered rains/snow is expected over J&K and H.P. on 27th November. Then intensity and arial extent of rains may increase covering Uttaranchal and adjoining Indo-Gangetic Plains during 28-29 November 2005.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]
Mainly dry weather may prevail over the region.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]
Mainly dry weather is likely to prevail over the region during next 5 days.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]
Isolated rainfall are likely over Andaman& Nicobar Island, Tamil Nadu, Pondicherry, Kerala, Lakshadweep Island, Rayalaseema, south interior Karnataka and coastal Karnataka during next 2-3 days.

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 December Contract

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

Stochastic: The stochastic is moving downwards, the % -K line after cutting the % -D line from above and heading towards oversold region, showing further downward movement with fair chances of positive correction in later half of the coming week.

MACD: The MACD (5-day) is moving downwards in 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 prices are expected to open weak and trade downwards during first couple of days of the coming week. However, the futures are likely to witness some upward movement in later half of the coming week.



Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX December Contract

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

Stochastic: The stochastic is moving downwards, the % -K line after cutting the % -D line from above and heading towards oversold region, showing further downward movement with fair chances of positive correction in later half of the coming week.

MACD: The MACD (5-day) is moving downwards in neutral region below its signal line, supporting the weakness in the market.

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

Market Outlook:

Guar gum prices are expected to open steady with weak undertone and trade downwards first couple of days in coming week. However, the futures are vulnerable to positive correction towards the end of the coming week.



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