

GUAR SEED and GUAR GUM

November 14, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Previous Weakness
- 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 after cutting the %D-line from above moving downwards in the normal region, showing further downward movement.

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 also supporting the downtrend.

Market outlook:

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

Support and Resistance Level for Guar Seed:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	1652	1643	1683	1691
Dec.	1700	1684	1750	1764



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 after cutting the %D-line from above moving downwards in the normal region, indicating further downward movement.

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 moderately downwards following a weak opening initially and upwards thereafter. Trade with very-short term outlook.

Support and Resistance Level for Guar Gum:

Contract	Support		Resistance	
	1st	2nd	1st	2nd
Nov.	4427	4400	4532	4555
Dec.	4514	4470	4614	4653



SALIENT POINTS OF THE DAY

Guar seed and gum futures settled much lower on increased selling interest.

Mainly dry weather prevailed over guar growing regions.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening today. The futures settled at the lower side on increased selling interest. The December future traded in a lower range of 1711.00-1770.00 today. At the spot markets also guar seed was quoted lower at Rs 1730 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered lower at Rs 1630-1640 per quintal, while at the Nokha market it was available at a lower price of Rs 1575-1580 per quintal today. At the Sriganganagar market it was offered at a lower price of Rs 1560-1565 per quintal, while at the Shiwani market it was quoted lower at Rs 1530-1535 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a highly bearish sentiment after a weak opening today. The guar gum futures finished at a much lower ground on higher speculative selling pressure during today's trade. The December future traded in a lower range of 4542.00-4686.00 today. At the spot markets also guar gum was offered at a lower price of Rs 4500-4525 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended Saturday's weakness today. The prices of guar seed as well as guar gum were quoted much lower today on a higher arrival. The spillover weakness from the futures market has also underpinned the downside movement of the prices of guar at the major physical markets. The crop arrivals at the major markets are fast picking up and consequently the prices are facing a downtrend. 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 at the present lower levels. Under such circumstances the prices of both the guar seed and guar gum are expected to move slight to moderately downwards initially and upwards

thereafter on likely higher buying support at the lower levels.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	14.11.05	12.11.05	Change
	Bikaner	1630-1640	1680-1690	-50
Guar Seed	Jodhpur-B line	1730	1770-1780	-50
	Jodhpur-M line	1710	1750	-40
	Nokha	1575-1580	1615-1620	-40
	Sriganganagar	1560-1565	1615	-50
	Shiwani	1530-1535	1560-1565	-30
Guar Gum	Jodhpur	4500-4525	4625	-125

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	364.70	363.70	363.60	-1.10
Jan.	357.20	351.50	347.90	-9.30

Price Movements at Bikaner Vayda

The guar futures at the Bikaner vayda witnessed a bearish sentiment following a weak opening today. The futures extended previous weakness and the November as well as the January future settled lower on increased selling pressure during today's trade.

WEATHER HIGHLIGHTS (14-11-05)

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

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