

GUAR SEED and GUAR GUM

October 25-31, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Bearish at Spot Markets
- Guar Futures Settled Down Amidst Range Bound Trade

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures witnessed a bearish sentiment in this week under review. The guar seed futures started this week at a much higher ground but profit taking capped further advances and the futures finished the day in the negative territory. The futures thereafter traded range bound and witnessed huge loss on Friday. The futures tested this week's low on Saturday but managed to cut back some of the losses on Saturday and Monday. The guar seed futures witnessed some advances during Monday's trade but settled lower on increased selling pressure. 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 later half of this week. The Bikaner line 98% whitish guar seed was offered in the range of Rs 1775-1830 per quintal in Jodhpur market in this week. The guar seed prices at the Bikaner market remained in the range of Rs 1680-1740 per quintal during this week. At the Nokha market it was quoted between Rs 1610-1650 per quintal during this week.

The guar physical markets remained firm and the prices of both the guar seed and guar gum moved up during the first couple of days in this week under review. However, the prices consolidated during the mid-week and cut back the early advances to finish the week at a lower ground. According to the agriculture ministry of Rajasthan, the guar production in the state is estimated to be around 4.25-4.75 lakh tonnes in this year, well below the government's target of 6 lakh tonnes. However, the arrival of the new crop has started and likely to pick up significantly in couple of weeks. Under such circumstances the prices of guar seed is likely to remain weak in the coming couple of days with possibility of some upward movements from the mid-week.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
24.10.05	1740	1830	1800	1650
31.10.05	1680	1775	1750	Closed
Change	-60	-55	-50	-

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also remained on an average weak in this week. The guar gum futures witnessed some uptrend early in this week but failed to extend it further. Increased selling pressure at the higher price levels curbed the gains and the futures finished the week at a lower ground.

At the physical markets guar gum was traded in the range of Rs 4600-4700 per quintal in Jodhpur market during this week.

Price Movement of Guar Seed and Gum at NCDEX Vayda

(Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
24.10.05	1705.70	1688.80	4585.30
25.10.05	1738.40	1727.35	4713.15
26.10.05	1729.05	1696.40	4635.05
27.10.05	1722.40	1690.20	4631.10
28.10.05	1723.30	1699.45	4654.35
29.10.05	1678.85	1670.55	4543.70
31.10.05	1702.80	1685.45	4575.75
Change (Rs)	-2.90	-3.35	-9.55

Guar Seed Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
24.10.05	1744	1768	1794	1827	1826	1869
25.10.05	1780	1752	1838	1807	1885	1855
26.10.05	1746	1753	1808	1810	1848	1853
27.10.05	1765	1757	1820	1815	1854	1859
28.10.05	1760	1715	1819	1767	1859	1804
29.10.05	1710	1720	1759	1776	1800	1819
31.10.05	1725	1715	1784	1767	1828	1803

Guar Gum Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
24.10.05	4598	4678	4715	4779	4769	4882
25.10.05	4700	4650	4821	4744	4930	4841
26.10.05	4650	4656	4730	4756	4823	4850
27.10.05	4650	4670	4760	4772	4836	4868
28.10.05	4673	4550	4770	4646	4840	4742
29.10.05	4590	4565	4640	4666	4725	4765
31.10.05	4599	4552	4680	4650	4790	4746

WEATHER WATCH (31.10.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

NE monsoon rainfall activity is expected to remain subdued during next 2-3 days with light to moderate rains over south peninsular India till 2nd November 2005. The rainfall activity is expected revive over Tamil Nadu and adjoining south coastal Andhra Pradesh thereafter with the formation of an east-west shear zone across extreme south peninsular India around this period. Yesterday's feeble low-pressure area over south Coastal Andhra Pradesh and neighbourhood has become less marked. However, the associated upper air cyclonic circulation persists and

extends upto 3.1 km a.s.l. A weak western disturbance is likely to affect J&K and Himachal Pradesh during 1-3 November 2005.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Isolated snow/rains are expected over J&K, H.P. and Uttaranchal during next 2-3 days. Mainly dry weather is likely to prevail over rest areas of the region.

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

Isolated to scattered rainfall activity is expected over Orissa, North-eastern States, Sub- Himalayan West Bengal & Sikkim. Isolated rains may occur over rest areas of the region except over East UP and Bihar where mainly dry weather may prevail during next 3 days.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail over the region except over Chhattisgarh where isolated rains are expected during next week.

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

Isolated to scattered rainfall is likely over the region during next 2-3 days. The rainfall activity over Tamil Nadu & Pondicherry and south coastal AP may increase after 2nd November.

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 bearish pattern and steady opening.

Stochastic: The stochastic is moving downwards; the % -K line after cutting the % -D line from above moving sharply downwards in the normal region, hinting further downward movement.

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



Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX November Contract

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

Stochastic: The stochastic is moving downwards; the % -K line after cutting the % -D line from above moving sharply downwards in the normal region, hinting further downward movement.

MACD: The MACD (5-day) is about to make a bearish crossover with its EMA in positive region, supporting the weakness in the market.

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

Market Outlook:

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



FOREX: (31.10.05)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.11
European Union	Euro	54.43
United Kingdom	GBP	80.09
Japan	100 Yen	39.01

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