

GUAR SEED and GUAR GUM

November 14-19, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Witnessed Stable Sentiment
- Guar Futures: Retraced Back from Early Weakness

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX registered huge losses at the beginning of this week under review. However, increased buying support at the lower levels checked the huge downfall and the futures traded mostly narrow range bound for the major half of this week. However, the futures surged up again on Saturday and finished the week with slight gains. The guar seed futures at the NCDEX traded range bound for most of the session and jumped up in the last hour of trade on Saturday. The December future traded in a higher range of 1717.00-1774.00 during Saturday's trade. At the spot markets guar seed was quoted at Rs 1725-1775 per quintal in Jodhpur market during this week. At the Bikaner market it was offered at price of Rs 1630-1700 per quintal, while at the Nokha market it was available at Rs 1570-1625 per quintal in this week. At the Sriganganagar market it was traded at Rs 1545-1580 per quintal, while at the Shiwani market it was quoted at Rs 1530-1610 per quintal during this week.

The guar physical markets extended the firm sentiment today. Both the prices of guar seed as well as the guar gum soared up in the late hours of trade. The crop arrivals at the major physical markets remained lower than usual expectations of a heavy arrival during these days. The traders are expecting that the prices to rule firm if the arrival of the crop maintains its present momentum. Moreover, the late surge in the futures market has also lifted up the physical markets sentiment. For a long-term perspective, the prices of both the guar seed and guar gum are likely to remain strong given the demand-supply scenario. The present outlook suggests that there would not be much mismatch between the annual demand and supply. The present crop size is likely to be within 45-50 lakh bags of 100 kgs. Under such circumstances the prices of both the guar seed and guar gum are expected to move upwards in the next day with possibility of late downtrend.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
12.11.05	1680-1690	1770-1780	1750	1615-1620
19.11.05	1700	1770-1775	1750	1620-1625
Change	+10	-	-	+5

Market Commentary on Guar Gum

The guar gum futures at the NCDEX started the week at a lower ground but remained strong thereafter. The guar gum futures tested this week's high on Thursday. However, the futures traded range bound thereafter and finished the week with a bearish undertone. The November future traded in the range of 4615.00-4690.00 on Saturday.

At the physical markets guar gum was traded in the range of Rs 4500-4700 per quintal in Jodhpur market during this week. The prices of guar gum are likely to remain bearish in the coming week with possibility of some upward movement during the later half.

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

Dates	Bikaner	Jodhpur	Guar Gum
12.11.05	1720.40	1678.20	4643.20
14.11.05	1654.00	1636.55	4499.90
15.11.05	1674.70	1643.65	4523.65
16.11.05	1688.20	1660.85	4559.60
17.11.05	1673.55	1651.25	4533.80
18.11.05	1672.30	1652.45	4526.90
19.11.05	1672.25	1652.70	4534.85
Change (Rs)	-48.15	-25.50	-108.35

Guar Seed Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
12.11.05	1732	1728	1791	1780	1855	1837
14.11.05	1708	1672	1770	1722	1828	1775
15.11.05	1660	1677	1715	1734	1765	1787
16.11.05	1678	1672	1738	1727	1789	1779
17.11.05	1665	1669	1722	1730	1773	1787
18.11.05	1674	1666	1731	1726	1790	1783
19.11.05	-	-	1730	1766	1782	1830

Guar Gum Futures Prices at NCDEX

Dates	Nov. Futures		Dec. Futures		Jan. Futures	
	Open	Close	Open	Close	Open	Close
12.11.05	4675	4648	4770	4735	4873	4840
14.11.05	4600	4483	4681	4570	4805	4670
15.11.05	4475	4504	4563	4598	4650	4697
16.11.05	4524	4502	4600	4583	4699	4680
17.11.05	4480	4508	4563	4598	4663	4695
18.11.05	4512	4508	4600	4606	4699	4703
19.11.05	-	-	4592	4726	4725	4838

WEATHER WATCH (19.11.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Monsoon Outlook

During the past 24hrs, isolated rainfall is reported over Andaman & Nicobar Islands and south Kerala. Yesterday's low pressure area over southeast Bay of Bengal has continued to move very slowly towards west over the past 24hrs and gained strength and now lies as a depression with its center about 700 km southeast of Nagapattinam. The system is likely to move slowly in westward direction for the next 24hrs or so and subsequently to move in west-northwestward direction in coming days. Further, this low pressure area is embedded with in the east-west oriented shear zone covering Bay of Bengal, southern parts of India and Arabian Sea that is expected to remain active in coming days. With the relative strengthening of the shear zone, a weak cyclonic circulation that reappeared over the southeast Arabian Sea yesterday persists today as well.

The present conditions are conducive for gaining further strength till the system crosses over Sri Lanka. Under the expected scenario, fresh rainfall activity over Tamil Nadu & adjoining states may begin in around 12hrs over the coastal belt. Scattered to fairly widespread rains with isolated heavy falls can be expected over the regions of coastal Tamil Nadu initially and possibly widespread rains with heavy to heavy falls extend to interior southern parts of Tamil Nadu and Kerala; scattered to fairly widespread rains over south coastal district of Andhra Pradesh subsequently with the slow west-northwestward movement of low pressure area in coming days.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Mainly dry weather may prevail over the region for next 3-4 days with a possible fall in night temperatures by 1-2°C.

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

CENTRAL INDIA [MP, CHHATTISGARH, 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]
Scattered to fairly widespread rains are likely in Andaman & Nicobar Islands, coastal Tamil Nadu & Pondicherry initially. Subsequently, widespread rain belt with isolated heavy falls is to extend over south coastal district(s) of Andhra Pradesh, Kerala, interior parts of Tamil Nadu and Lakshadweep.

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 bullish 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 upward movement.

MACD: The MACD (5-day) is moving upwards and about to cut its EMA from below in positive, supporting the strength 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 week. However, the futures are likely to witness some downward movement in the coming couple of days.



Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX December Contract

Candlestick: Formation of candlestick is showing a bullish 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) is moving upwards and about to cut its EMA from below in positive region, supporting the strength in the market.

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

Market Outlook:

Guar gum prices are expected to open steady and trade upwards in the coming week. However, the futures are likely to witness some downward movement in the coming couple of days.



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