

GUAR SEED and GUAR GUM

December 19-24, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Firm on Lower Arrivals
- Guar Futures: Settled Up on Higher Buying Support

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week with slight advances but went down to a much lower level on Tuesday to test this week's low. However, increased buying support at the lower price levels pushed up the futures thereafter and the futures witnessed huge gains during mid-week. The biggest gain was recorded on Thursday and the futures extend the advances to test this week's high on Friday. However, the futures curbed the gains and settled lower on Friday. The futures finally finished this week at a much higher ground and with a firm sentiment. At the spot markets also guar seed was traded with a similar sentiment during this week. Apart from the fundamentals, the prices at the physical markets were mainly driven by the futures prices in this week. At the Jodhpur market it was quoted in the range of Rs 1685-1735 per quintal during this week. At the Bikaner market it was traded between Rs 1590-1630 per quintal, while at the Nokha market it was offered at Rs 1525-1570 per quintal in this week. At the Sriganganagar market it was available between Rs 1500-1525 per quintal, while at the Shiwani market it was quoted in the range of Rs 1535-1590 per quintal during this week.

The guar physical market witnessed on an average a firm sentiment during this week under review. The prices of both the guar seed as well as guar gum were quoted higher in this week as against the last week. The crop arrivals at the major physical markets are reported to be lower in this week as against the last week and consequently the prices went up during this week. Apart from the strong fundamentals, the prices at the physical markets were mainly driven by the futures prices in this week, which witnessed significant gains during the mid-week. Traders are expecting that the prices of both the guar seed as well as guar gum would witness further uptrend in the coming days. Under such situations, the prices of both the guar seed as well as guar gum are likely to witness some upwards movement in the coming couple of days and may move downwards during the later half of the coming week.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
17.12.05	1585	1685	1660	1525-1530
24.12.05	1630	1730	1705	1550
Change	+45	+45	+45	+25

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also witnessed a similar sentiment as of guar seed in this week under review. The guar gum futures witnessed significant gains during the mid-week and finished at a much higher ground in this week.

At the physical markets guar gum was quoted in the range of Rs 4375-4550 per quintal in Jodhpur market during this week. The prices of guar gum are expected to remain firm in the coming 1-2 days and may move downwards during the later half of the coming week.

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

Dates	Bikaner	Jodhpur	Guar Gum
17.12.05	1607.80	1610.30	4439.65
19.12.05	1603.75	1600.75	4410.65
20.12.05	1597.10	1595.90	4406.05
21.12.05	1605.10	1607.85	4421.00
22.12.05	1622.35	1622.95	4454.20
23.12.05	1655.35	1644.80	4549.20
24.12.05	1644.30	1638.75	4520.00
Change (Rs)	+36.50	+28.45	+80.35

Guar Seed Futures Prices at NCDEX

Dates	Jan. Future		Feb. Future		March. Future	
	Open	Close	Open	Close	Open	Close
17.12.05	1677	1659	1712	1701	1748	1734
19.12.05	1660	1665	1702	1706	1734	1739
20.12.05	1666	1647	1708	1690	1741	1722
21.12.05	1647	1661	1692	1702	1722	1733
22.12.05	1662	1710	1703	1760	1735	1800
23.12.05	1720	1694	1770	1741	1812	1782
24.12.05	1690	1705	1744	1753	1780	1794

Guar Gum Futures Prices at NCDEX

Dates	Jan. Future		Feb. Future		March. Future	
	Open	Close	Open	Close	Open	Close
17.12.05	4465	4425	4545	4524	4635	4620
19.12.05	4435	4440	4540	4541	4625	4633
20.12.05	4435	4379	4544	4483	4660	4578
21.12.05	4374	4411	4466	4514	4560	4598
22.12.05	4424	4541	4515	4656	4618	4747
23.12.05	4552	4499	4687	4610	4765	4711
24.12.05	4499	4528	4628	4641	4738	4744

WEATHER WATCH (24.12.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

A trough in easterly is likely to approach southern Peninsular India in next 48 Hrs. Under its influence south Tamil Nadu, Kerala and south-interior Karnataka may receive isolated to scattered rainfall during 27-29 December 2005. India A western disturbance is likely to approach J&K by 28th December 05. Under its influence hilly regions of NW India are likely to get snowfall and adjoining areas rainfall during 27-29 December 05. Cold wave conditions prevailed over many parts of Jammu & Kashmir, Punjab and parts of Rajasthan and Gujarat where

night temperatures were below normal by 4-5° C. Prevailing cold wave conditions over most parts of NW India and fog conditions over Punjab, Haryana, Delhi, north Rajasthan, Uttar Pradesh are likely to continue over most parts of NW India during next 2 days. Thereafter, minimum temperatures over NW India are likely to rise by about 1-2 degree C.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Isolated to scattered snowfall/rainfall over J&K, H.P., Uttaranchal, Punjab, Haryana and west U.P. during 27-29 December 2005. Subsequently, foggy conditions with a fall of night temperatures may occur over the plains of NW India.

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

Region is likely to experience mainly dry weather during 3-4 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Region is likely to experience mainly dry weather during next 4-5 days.

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

Isolated to scattered rainfall are likely over Tamil Nadu, Kerala and south-interior Karnataka during 27-29 December.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Mainly dry weather is expected to prevail over the region.

Source: GOI (NCMRWF & IMD)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX January Contract

Candlestick: Formation of candlestick is showing a bullish pattern and steady to firm opening.

Stochastic: The stochastic is moving upwards, the % -K line after cutting the % -D line from below moving upwards in the normal region, hinting further upward movement.

MACD: The MACD (5-day) is moving upwards in the negative territory, supporting the strength in the market.

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

Market Outlook:

Guar seed futures are expected to trade upwards following a steady to firm opening in the coming 1-2 days. However, the futures are likely to get resisted and may move downwards during the later half of the coming week.



Commodity: **Guar Gum**

Perspective: **Very Short Term (Weekly)**

NCDEX January Contract

Candlestick: Formation of candlestick is showing a bullish pattern and steady to firm 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 in the negative territory, 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 trade upwards following a steady to firm opening in the coming 1-2 days. However, the futures are likely to get resisted and may move downwards during the later half of the coming week.



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