

GUAR SEED and GUAR GUM

December 12-17, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Traded Mostly Range Bound in this Week
- Guar Futures: Down but Recovered Slightly from Recent Lows

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week with a positive note and curbed last weekend's losses during Monday's trade. The futures extended the advances further and tested this week's high on Tuesday. However, increased speculative selling at the higher levels capped further advances and the futures witnessed huge losses on Tuesday. The futures tested this week's low on Wednesday and the later months tested fresh contract month lows. However, the futures got some buying support at the lower levels and recovered some losses during the later half of the week. The futures finally finished this week with some losses. At the spot markets guar seed was traded with somewhat similar sentiment during this week under review, but managed to finish with some gains. At the Jodhpur market it was quoted in the range of Rs 1675-1700 per quintal in this week as against the last week. At the Bikaner market it was traded between Rs 1585-1600 per quintal, while at the Nokha market it was offered in the range of Rs 1520-1545 per quintal in this week. At the Sriganganagar market it was available in the range of Rs 1500-1545 per quintal, while at the Shiwani market it was quoted between Rs 1530-1560 per quintal during this week.

The guar physical markets witnessed a range bound trade in this week under review. The prices of both the guar seed as well as guar gum were quoted mostly steady to firm in this week as against the last week. The crop arrivals at the major physical markets remained steady to lower in this week as against the last week and consequently the prices remained range bound in this week. Moreover, the speculative selling pressure at the futures market has pressurised the prices during the first half of this week but managed to move upwards during the later half. Traders are expecting that the prices of both the guar seed as well as guar gum would witness some upward movement in the coming days. Under such situations, the prices of both the guar seed as well as guar gum are likely to witness some downwards movement in the coming 1-2 days and may move upwards 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	
10.12.05	1570	1675-1680	1650	1530
17.12.05	1585	1685	1660	1525-1530
Change	+15	+10	+10	-

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also followed the same path as of guar seed in this week under review. The guar gum futures witnessed significant downfall during the first half of this week and recovered to some extent during the later half.

At the physical markets guar gum was quoted in the range of Rs 4400-4475 per quintal in Jodhpur market during this week. The prices of guar gum are expected to remain weak in the coming 1-2 days and may move upwards 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
10.12.05	1605.90	1607.30	4436.75
12.12.05	1602.90	1604.95	4417.40
13.12.05	1619.05	1612.40	4451.35
14.12.05	1602.50	1597.90	4410.35
15.12.05	1585.50	1589.75	4394.00
16.12.05	1612.20	1610.90	4435.60
17.12.05	1607.80	1610.30	4439.65
Change (Rs)	+1.90	+3.00	+2.90

Guar Seed Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
10.12.05	1635	1631	1680	1673	1727	1714
12.12.05	1622	1641	1667	1695	1708	1734
13.12.05	1638	1622	1700	1664	1738	1707
14.12.05	1624	1606	1658	1648	1702	1689
15.12.05	1605	1617	1650	1668	1692	1708
16.12.05	1614	1621	1670	1674	1710	1714
17.12.05	1625	1611	1677	1659	1712	1701

Guar Gum Futures Prices at NCDEX

Dates	Dec. Futures		Jan. Futures		Feb. Futures	
	Open	Close	Open	Close	Open	Close
10.12.05	4357	4369	4461	4454	4575	4548
12.12.05	4368	4406	4521	4502	4520	4594
13.12.05	4419	4341	4505	4433	4610	4527
14.12.05	4398	4293	4405	4388	4510	4486
15.12.05	4281	4334	4393	4436	4474	4532
16.12.05	4327	4351	4442	4460	4540	4554
17.12.05	4357	4314	4465	4425	4545	4524

WEATHER WATCH (17.12.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

Coastal Tamil Nadu, south coastal Andhra Pradesh and Bay Islands have reported scattered to fairly widespread rains for the last 12-18 hours. Yesterday's Deep Depression over Southwest Bay of Bengal moved west-northwards during the last 24hrs and has further intensified in terms of intense cloud bands organisation, deepened central pressure and enhanced sustained wind pattern around the system. It is currently located at southwest Bay around 10.6°N latitude and 82.3°E longitude characterized by about 75-80Km/hr maximum sustained wind, an estimated 987hPa of Central Pressure. South Andhra Pradesh has already experiencing about 35-40 Km/Hr surface onshore winds. Model prediction suggests that the deep depression is likely to further intensify slowly and move in west-northwestward initially and may perhaps move in very slow north/north-easterly direction subsequently in coming 2-3days due to the influence of the large amplitude mid-latitude westerly trough in middle and upper troposphere. Model prediction further suggests that

stronger winds with speed up to around 60 Km/Hr. are likely along north coastal Tamil Nadu, coastal Andhra Pradesh during next 2-3 days. Fairly widespread to wide spread rainfall with isolated heavy to very heavy rains over coastal Tamil Nadu & Pondicherry, coastal Andhra Pradesh during next 2-3 days. Scattered to fairly widespread rains are expected over Kerala, Lakshadweep, Rayalaseema, south interior Karnataka, and Telangana in coming days. Cold wave conditions are prevailing over parts of north India and northwest India. Model prediction suggests that the minimum temperatures over Punjab and Rajasthan are likely to rise by about 1-2 °C due to the passing Western Disturbance that is likely to affect J&K, H.P. and adjoining areas of Punjab, Haryana and Uttaranchal during 19-20 December. Under its influence, these area may receive isolated to scattered rainfall with snowfall over hilly regions during 19- 20 December.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Isolated to scattered snowfall/rainfall over J&K, H.P. and Uttaranchal and isolated rainfall over Punjab and Haryana during 18-20 December.

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]
The region is likely to experience mainly dry weather.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]
Fairly widespread to wide spread rainfall with isolated heavy to very heavy rains over coastal Tamil Nadu & Pondicherry, coastal Andhra Pradesh and Bay Islands during next 2-3 days. Scattered to fairly widespread rains are expected over Kerala, Lakshadweep, Rayalaseema, south interior Karnataka, Telangana, and coastal Orissa in coming days.

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 bearish pattern and steady to weak 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 uptrend.

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

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

Market Outlook:

Guar seed futures are expected to trade moderately downwards following a steady to weak opening in the coming 1-2 days. However, the futures are likely to get supported and may move upwards 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 bearish pattern and steady to weak 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 uptrend.

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

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

Market Outlook:

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

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