

GUAR SEED and GUAR GUM

January 23-30, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Remained Bearish in This Week
- Guar Futures: Slid on Increased Speculative Selling

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week at a higher ground and settled with positive gains. However, increased selling pressure at the higher price levels pressurised the futures and the guar seed futures traded downwards thereafter. The futures slid significantly during the weekend. During this week guar seed futures have wiped away previous week's gains. The volume of trade remained thin in this week under review. The arrivals at the major physical markets declined gradually during this week. At the Jodhpur market it was quoted in the range of Rs 1790-1820 per quintal in this week. At the Bikaner market it was offered in the range of Rs 1670-1710 per quintal, while at the Nokha market it was traded in the range of 1635-1660 per quintal in this week. At the Sriganganagar market it was available in the range of Rs 1580-1610 per quintal, while at the Shiwani market it was quoted in the range of Rs 1640-1680 per quintal during this week.

The guar physical markets witnessed a bearish trade during this week under review. The week began with a positive note and the prices of guar were quoted much higher. However, buyers remained away from the market at such higher levels and eventually the prices started dipping. The arrivals at the major physical markets remained almost steady at the lower side. Despite regular demand from the stockists and millers, the prices of guar failed to recover. The speculative selling pressure at the futures market and consequently declining future prices has underpinned the downtrend in guar prices at the physical markets. However, the prices of guar are likely to recover fast with buying activity likely to be higher at the present lower levels. Moreover, talks are there about export deals of sizeable quantity. Under such situations, the prices of guar seed is likely to remain firm 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	
23.01.06	1710	1820	1795	1660
30.01.06	1670	1790	1765	1635
Change	-40	-30	-30	-25

Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed a downward trade during this week. The futures slid continuously throughout this week with increased speculative selling pressure. The guar gum futures curbed most of the gains registered during previous week.

At the physical markets guar gum was quoted in the range of Rs 4500-4650 per quintal in Jodhpur market during this week. The prices of guar gum are expected to remain firm in the coming couple of 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
23.01.06	1723.60	1721.30	4630.60
24.01.06	1712.15	1715.65	4614.30
25.01.06	1706.00	1708.55	4596.35
26.01.06	Closed	Closed	Closed
27.01.06	1718.00	1731.35	4628.55
28.01.06	1725.65	1735.70	4636.70
30.01.06	1686.65	1700.20	4539.95
Change (Rs)	-36.95	-21.10	-90.65

Guar Seed Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
23.01.06	1772	1785	1820	1836	1866	1882
24.01.06	1785	1764	1835	1813	1882	1855
25.01.06	1762	1759	1813	1808	1853	1855
27.01.06	1768	1770	1810	1819	1860	1864
28.01.06	1775	1755	1820	1802	1862	1844
30.01.06	1753	1732	1797	1775	1841	1818

Guar Gum Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
23.01.06	4600	4639	4729	4764	4840	4894
24.01.06	4626	4588	4750	4703	4920	4823
25.01.06	4590	4565	4715	4683	4825	4802
27.01.06	4590	4591	4720	4710	4815	4832
28.01.06	4600	4545	4720	4665	4802	4791
30.01.06	4540	4453	4657	4576	4777	4701

WEATHER WATCH (30.01.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

Yesterday's western disturbance continues to persist over J&K and adjoining hilly regions. It is likely to move away in eastward direction in next 24 Hrs. With its movement in eastward direction, the ongoing snowfall/ rainfall activity over J&K, H.P. and Uttaranchal is likely to reduce in next 24 Hrs. Cold wave conditions continued to prevail over parts of Marathwada and Telangana. Predictions suggest rise in both day and night temperatures by about 3-4 deg C over most parts of Central and Northwest India during next 3-4

days leading the temperatures towards normal over the said regions. A fresh Western Disturbance is likely to affect NW India on 1 and 2 February 2006. It may cause scattered snowfall/rainfall over the hilly region of NW India during the above period.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Scattered to fairly widespread snowfall/rains are likely over J&K and H.P.; scattered rainfall/snowfall over Uttaranchal during 24 hours. Thereafter, J&K and H.P. are likely to receive scattered snowfall/rains during 1-2 February 2006 too.

EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]
The region is likely to experience mainly dry weather during next 5 days.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]
Mainly dry weather is likely to prevail.

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]
Mainly dry weather over the entire region except isolated rains over Kerala in next 24 Hrs. and over south coastal Tamil Nadu during 1-2 February

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]
Mainly dry weather is expected to prevail. Temperatures are likely to become normal and above during next 4 days.

Source: GOI (NCMRWF& IMD)

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

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

NCDEX February Contract

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

Stochastic: The stochastic is moving downwards, the %K-line along with the %D-line moving downwards in the normal region, indicating further uptrend.

MACD: The MACD (5-day) has made a bearish crossover with its EMA and moving downwards in the positive region, hinting 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 slightly downwards initially following a steady to weak opening and moderately upward thereafter in the next day. The guar seed futures are likely to trade moderately upwards with possibility of some downward movement during the later half in the coming week.



Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX February Contract

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

Stochastic: The stochastic is moving downwards, the %K-line along with the %D-line moving downward in the normal region, showing further downtrend.

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

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

Market Outlook:

Guar gum futures are expected to trade slightly downwards initially following a steady to weak opening and moderately upward thereafter in the next day. The guar gum futures are likely to trade moderately upwards with possibility of some downward movement during the later half in the coming week.



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