

GUAR SEED and GUAR GUM

January 16-23, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Firmed Up on Declining Arrivals
- Guar Futures: Higher; Surged Up with Heavy Volume

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week with a sign of recovery after continuous downfall during the previous week. The futures retraced back during this week on increased buying support at the lower price levels. During the mid-week, the futures witnessed some range bound bearish movements, but surged up during the weekend. After the contract expiry of the guar seed January contract, the February and later month futures jumped up during the weekend with a heavy volume of trade. The open interest as well as volume of trade has increased during this week as against the last week. The guar seed futures finished this week with significant gains and offset the losses during the previous week. The arrivals at the major physical markets declined gradually during this week. At the Jodhpur market it was quoted in a higher range of Rs 1760-1820 per quintal in this week. At the Bikaner market it was offered at a higher range of Rs 1650-1710 per quintal, while at the Nokha market it was available between Rs 1570-1660 per quintal in this week. At the Sriganganagar market it was traded in a higher range of Rs 1540-1600 per quintal, while at the Shiwani market it was quoted higher in the range of Rs 1615-1680 per quintal during this week.

The guar physical markets witnessed an upward trade during this week under review. The prices of both the guar seed as well as guar gum were quoted much higher during this week as against the last week. The crop arrivals at the major physical markets are reported to have declined from around 18000 bags during the start of this week to around 15000 bags during the weekend. With a lower arrival coupled with increased demand from stockists and millers, the prices of guar retraced back again during this week. The traders are expecting the prices of guar to move up gradually in the coming days as the overseas demand are likely to pick up. Under such situations, the prices of guar seed is likely to remain firm in the coming week with possibility of a downward technical correction.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
16.01.06	1650	1760	1735	1570
23.01.06	1710	1820	1795	1660
Change	+60	+60	+60	+90

Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed an upward trade during this week. The futures witnessed significant gains throughout this week with increased buying support at the lower price levels. The guar gum futures curbed most of the losses incurred during previous week.

At the physical markets guar gum was quoted much higher in the range of Rs 4450-4650 per quintal in Jodhpur market during this week. The prices of guar gum are expected to remain firm in the coming week with possibility of a downward technical correction.

Price Movement of Guar Seed and Gum at NCDEX Vayda

(Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
16.01.06	1654.75	1665.30	4425.75
17.01.06	1665.35	1666.45	4444.00
18.01.06	1675.35	1684.20	4503.30
19.01.06	1676.90	1685.80	4504.50
20.01.06	1677.45	1683.85	4498.30
21.01.06	1708.15	1699.50	4552.35
23.01.06	1723.60	1721.30	4630.60
Change (Rs)	+68.85	+56.00	+204.85

Guar Seed Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
16.01.06	1720	1716	1758	1756	1793	1791
17.01.06	1713	1730	1754	1771	1790	1807
18.01.06	1732	1742	1772	1786	1808	1823
19.01.06	1744	1732	1786	1773	1824	1811
20.01.06	1737	1735	1778	1777	1815	1816
21.01.06	1737	1769	1781	1818	1815	1862
23.01.06	1772	1785	1820	1836	1866	1882

Guar Gum Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
16.01.06	4427	4422	4556	4549	4747	4662
17.01.06	4419	4472	4526	4598	4659	4700
18.01.06	4477	4510	4595	4638	4700	4744
19.01.06	4518	4483	4639	4610	4755	4708
20.01.06	4508	4494	4630	4620	4734	4726
21.01.06	4502	4589	4630	4720	4736	4827
23.01.06	4600	4639	4729	4764	4840	4894

WEATHER WATCH (23.01.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

A western disturbance is likely to approach in next 24 Hrs. and affect NW India during next 2-3 days. Under its influence J&K, H.P. and Uttaranchal is likely to experience scattered snowfall/rains during 23-24 January 2006. Temperatures over NW India are likely to remain near

normal during next 3-4 days. Some parts of Indogangetic Plains of north India are likely to experience light foggy condition in morning and evening hours during 24-26 January 2006.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Scattered snowfall/rains is likely over J&K, H.P. and Uttaranchal during next 2-3 days. Adjoining Punjab and Haryana may experience the cloudy conditions during 23-24 January 2006.

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. Moderate fog is likely in morning hours.

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

SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]
Mainly dry weather over the entire region except over Andaman & Nicobar where cloudy sky conditions are expected during next 48 Hrs.

WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]
Mainly dry weather is expected to prevail.

Source: GOI (NCMRWF & IMD)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX February Contract

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

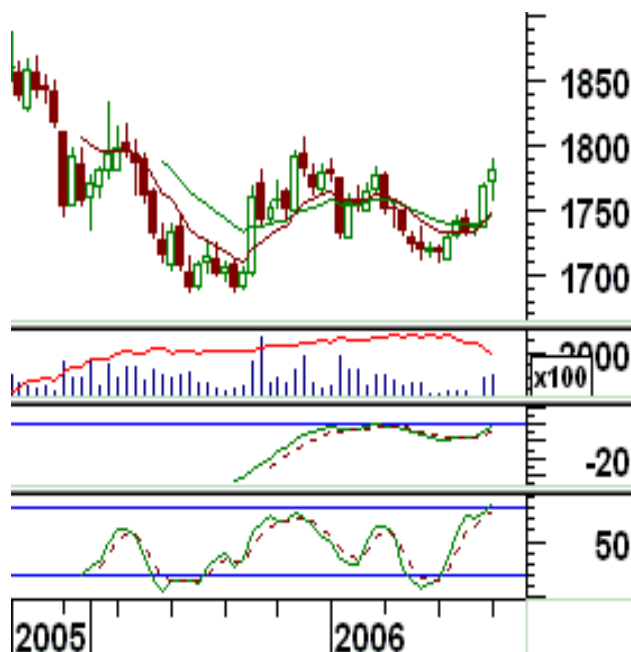
Stochastic: The stochastic is moving upwards, the % -K line has entered the overbought region, hinting short-term uptrend with possibility of a downward technical correction in the near future .

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 moderately upwards following a steady to firm opening during the next day. However, the futures are likely to get resisted and may move downwards thereafter.



Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX February Contract

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

Stochastic: The stochastic is moving upwards, the % -K line has entered the overbought region, indicating short-term uptrend with possibility of a downward technical correction in the near future.

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 moderately upwards following a steady to firm opening during the next day. However, the futures are likely to get resisted and may move downwards thereafter.



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