

GUAR SEED and GUAR GUM

December 26-31, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Seed and Gum Maintained Strength on Lower Arrivals
- Guar Futures: Finished This Week with Moderate Advances

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week at a higher ground but profit taking was seen at the higher levels. Consequently the futures went downwards and tested this week's low on Tuesday. Supported by strong buying interest at the lower price levels the futures retraced back again and registered huge gains on Wednesday. The advances were carried forward on Thursday, but the futures settled lower on profit taking on Thursday. The futures traded range bond at a lower ground during the weekend and finally settled with some gains on Saturday. At the spot markets also guar seed was traded with a similar sentiment during this week under review. Gradually declining arrivals at the markets as well as the firm futures prices have also underpinned the physical market sentiments. At the Jodhpur market guar seed was quoted in a higher range of Rs 1725-1760 per quintal in this week as against the last week. At the Bikaner market it was offered at a higher price of Rs 1630-1670 per quintal, while at the Nokha market it was available at a higher price of Rs 1565-1590 per quintal in this week. At the Sriganganagar market it was traded between Rs 1535-1560 per quintal, while at the Shiwani market it was quoted in a higher range of Rs 1600-1640 per quintal during this week.

The guar physical markets witnessed on an average a strong 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 in this week as against the last week. The arrivals are reported to have declined from around 28000 bags during the first couple of days to around 25000 bags during the weekend and consequently the prices of guar faced an uptrend in this week. Traders are eyeing more overseas demand from the mid of January and further uptrend in guar prices. Under such situations, the prices of guar seed as well as guar gum are likely to witness an upward movement during the coming week with possibility of some downward movement during the mid-week.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
24.12.05	1630	1730	1705	1550
31.12.05	1660	1735	1710	1580
Change	+30	+5	+5	+30

Market Commentary on Guar Gum

The guar gum futures at the NCDEX also witnessed a similar sentiment during week under review. The futures witnessed significant gains on Wednesday and tested this week's high on Thursday. The guar gum futures finished this week at a higher ground as against the last week.

At the physical markets guar gum was quoted in a higher range of Rs 4525-4625 per quintal in Jodhpur market during this week. The prices of guar gum are expected to remain strong in the coming week and may move downwards during the mid-week.

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

Dates	Bikaner	Jodhpur	Guar Gum
24.12.05	1644.30	1638.75	4520.00
26.12.05	1649.15	1638.65	4555.25
27.12.05	1646.35	1646.05	4547.95
28.12.05	1656.55	1645.35	4558.05
29.12.05	1684.55	1670.50	4644.70
30.12.05	1667.65	1658.20	4591.10
31.12.05	1671.45	1653.70	4586.90
Change (Rs)	+27.15	+14.95	+66.90

Guar Seed Futures Prices at NCDEX

Dates	Jan. Future		Feb. Future		March. Future	
	Open	Close	Open	Close	Open	Close
24.12.05	1690	1705	1744	1753	1780	1794
26.12.05	1712	1706	1758	1756	1798	1798
27.12.05	1715	1703	1764	1750	1805	1793
28.12.05	1707	1737	1750	1791	1792	1838
29.12.05	1737	1732	1793	1781	1835	1828
30.12.05	1728	1717	1778	1766	1826	1811
31.12.05	1717	1727	1767	1779	1814	1827

Guar Gum Futures Prices at NCDEX

Dates	Jan. Future		Feb. Future		March. Future	
	Open	Close	Open	Close	Open	Close
24.12.05	4499	4528	4628	4641	4738	4744
26.12.05	4560	4545	4670	4652	4775	4751
27.12.05	4550	4538	4660	4643	4752	4742
28.12.05	4550	4624	4630	4735	4725	4844
29.12.05	4611	4624	4722	4732	4833	4835
30.12.05	4622	4591	4735	4697	4815	4803
31.12.05	4590	4622	4692	4731	4785	4847

WEATHER WATCH (31.12.05)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

The western disturbance over north Pakistan and adjoining Jammu & Kashmir persists as an upper air system. Also, the associated induced low-pressure area persists over West Rajasthan and neighbourhood. Under its influence, scattered to fairly wide spread snowfall/rain is likely over the hilly region of NW India viz. J&K, Himachal Pradesh and Uttaranchal and scattered rainfall over the plains of NW India viz., Punjab, Haryana (including Chandigarh & Delhi), north Rajasthan during next 2 days.

Predictions suggest rise in night temperatures by about 2 degree C over many parts of NW India during next 24 hours and fall in day temperature by about 2-3 deg C over same areas during next 2 days. After the passage of western disturbance, the night temperatures are expected to fall at

many places in the region by 3-4 deg C over NW India and reoccurrence of fog activity over plains of NW India and western Uttar Pradesh beginning from 3 January 2006.

Isolated rainfall activity is likely over Andaman & Nicobar Islands and south Tamil Nadu, Kerala and Lakshadweep during next 24 hours and during 5-6 January 2006.

NORTH & NORTH NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Hilly regions of NW India viz. J&K, Himachal Pradesh and Uttaranchal are likely to receive scattered to fairly wide spread snowfall/rains and the plains of NW India viz., Punjab, Haryana (including Chandigarh & Delhi), north Rajasthan scattered rainfall during next 2 days.

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

Mainly dry weather may prevail over the region except over East Uttar Pradesh and Bihar where isolated rains are expected during 4-5 Jan. 2006.

CENTRAL INDIA [MP, CHATTISGARH, VIDARBHA]

Region is likely to experience mainly dry weather condition.

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

Isolated to scattered rainfall are likely over Andaman & Nicobar islands, south Tamil Nadu, Kerala and Lakshadweep during next 24 hours and then during 5-6 Jan 06. Mainly dry weather may prevail of rest areas of the region.

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

Mainly dry weather is expected to prevail over the region except over North Rajasthan where isolated to scattered rains are likely during next 24-48 Hrs.

Source: GOI (NCMRWF& IMD)

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

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

NCDEX January Contract

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

Stochastic: The stochastic is moving downwards, the % -K line after cutting the % -D line from above moving downwards in the normal region, hinting further downtrend.

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 supporting the uptrend.

Market Outlook:

Guar seed futures are expected to trade range bound with a bearish undertone following a steady to firm opening during the first half of the coming week. 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 slightly bullish pattern and steady to firm opening.

Stochastic: The stochastic is moving downwards, the % -K line after cutting the %D-line from above moving downwards in the normal region, indicating further downtrend.

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 supporting the uptrend.

Market Outlook:

Guar gum prices are expected to trade range bound with a bearish undertone following a steady to firm opening during the first half of the coming week. However, the futures are likely to get supported and may move upwards during the later half of the coming week.



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