

GUAR SEED and GUAR GUM

February 13- 18, 2006

MAJOR ACTIVITY HIGHLIGHTS

- **Guar Surged Up on Monday; Rangebound Thereafter**
- **Guar Futures: Traded Mostly Steady at Higher Range**

MARKET COMMENTARY OF MAJOR MARKETS

The guar seed futures at the NCDEX started this week at a higher ground with huge gains, but remained mostly range bound for the rest of the week at higher level on alternate buying and selling interest amidst thin trading activity. However, the guar seed futures turned southwards on Saturday on moderate selling interest at the higher levels. On an average, the guar seed futures traded mostly range bound. The open interest has declined throughout this week but remained steady at weekend, while the volume of trade has jumped up on Friday after remaining at the lower side. The arrivals at the major physical markets declined gradually throughout this week. At the Jodhpur market it was quoted in the range of Rs 1815-1835 per quintal in this week under review as against the last week. At the Bikaner market it was offered between Rs 1685-1700 per quintal, while at the Nokha market it was traded in the range of Rs 1630-1640 per quintal in this week. At the Sriganganagar market it was available around Rs 1600 per quintal, while at the Shiwani market it was quoted in the range of Rs 1650-1660 per quintal during this week under review.

The guar physical markets remained mostly range bound after witnessing a much higher level at the start of this week. The arrivals at the major physical markets are reported to be lower at around 8000-10000 bags. The demand from stockists, millers and export houses remained higher, but activity was limited at the higher price levels. With a steady arrival and moderate demand the prices of guar at the physical markets remained mostly steady during the last few days. Moreover, the range bound trade at the futures market has also kept the physical market activity limited. Amidst such situations, the prices of guar seed are expected to move moderately upwards in 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	
13.02.06	1700	1835	1810	1640
18.02.06	1690	1815	1790	1640
Change	-10	-20	-20	-

Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed a similar sentiment as of guar seed futures. The guar gum futures traded on an average range bound after registering much higher level on Monday.

At the physical markets guar gum was quoted in the range of Rs 4575-4625 per quintal in Jodhpur market during this week. The prices of guar gum are expected to move moderately upwards in the coming week.

Price Movement of Guar Seed and Gum at NCDEX

(Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
13.02.06	1716.45	1724.70	4586.05
14.02.06	1709.80	1722.50	4583.60
15.02.06	1713.15	1719.40	4588.25
16.02.06	1717.00	1719.15	4592.60
17.02.06	1720.05	1722.20	4595.50
18.02.06	1713.75	1717.15	4585.05
Change (Rs)	-2.70	-7.55	-1.00

Guar Seed Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
13.02.06	1719	1747	1755	1788	1798	1836
14.02.06	1748	1744	1793	1782	1839	1830
15.02.06	1744	1747	1784	1784	1830	1831
16.02.06	1745	1739	1783	1778	1831	1823
17.02.06	1740	1744	1777	1787	1825	1833
18.02.06	1745	1737	1789	1781	1837	1828

Guar Gum Futures Prices at NCDEX

Dates	Feb. Future		March Future		April Future	
	Open	Close	Open	Close	Open	Close
13.02.06	4395	4464	4510	4590	4635	4721
14.02.06	4470	4457	4591	4573	4721	4699
15.02.06	4455	4454	4588	4568	4700	4692
16.02.06	4449	4438	4565	4552	4715	4681
17.02.06	4425	4441	4551	4558	4680	4687
18.02.06	4422	4426	4557	4539	4694	4665

WEATHER WATCH (18.02.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

Baring J&K and Himachal Pradesh, where isolated to scattered rain/snowfall activity is observed under the influence a western disturbance, almost entire country is experiencing mainly dry weather conditions. Prediction suggests that by and large such a situation may continue for another 3-4 days. Isolated thunderstorm activity is also likely over Northeastern states during next couple of days.

Most parts of country continue to witness warmer than normal day and night temperatures for past 2 weeks. During past 24 hours, day temperatures were 6- 8°C above normal over Himachal Pradesh, Uttaranchal and parts of north Rajasthan whereas they were 4-6°C above normal over rest Rajasthan, Gangetic Plains and central India. The prediction suggests that there could be slight fall in day

temperatures in NW India during next 2 days, no large change is expected over rest of the places.

Night temperatures were also 6-8°C above normal over west Rajasthan and 4- 6°C above normal over rest Rajasthan, Gangetic Plains, Central India and Northeastern state, during past 24 hours. No large change in the situation is likely during next 3-4 days.

NORTH & NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]
Isolated to scattered rain/snowfall is likely in J&K and Himachal Pradesh and Uttaranchal during next 48 hours. Another western disturbance is expected to affect hilly region beginning from 23rd Feb.

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

Northeastern states and Sub-Himalayan West Bengal may receive isolated rains/thundershowers during next 2 days. Mainly dry weather is likely over rest regions. Slight fall in day temperatures is likely in NE States during next 2 days.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely to prevail during the week.

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

Andaman & Nicobar Islands may receive isolated rain/thundershowers during next 2-3 days. Mainly dry weather is likely to prevail over remaining areas during next 4-5 days.

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 March Contract

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

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

MACD: The MACD (5-day) has made a bullish crossover with its EMA and moving upwards in the negative region, hinting 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 witness a moderately upward trade in the coming week.



Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX March Contract

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

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

MACD: The MACD (5-day) has made a bullish crossover with its EMA and moving upwards in the negative region, hinting strength in the market.

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

Market Outlook:

Guar gum futures are expected to trade moderately upward in the coming week.



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