

GUAR SEED and GUAR GUM

November 11th-20th, 2006

MAJOR ACTIVITY HIGHLIGHTS

- **Guar Futures: Improved from Early Plunged**
- **Spot Prices Remained Up on Good Demand**

MARKET COMMENTARY OF MAJOR MARKETS

Guar Physical Market

Guar sentiment has improved over previous plunged as per the expectation of traders. The bullish sentiments at futures market is also motivated stockists to buying actively. The steady arrival in the context of good demand is mainly prevailed in the market yards. The crop position is good in Rajasthan as well as Haryana. Traders are expected higher production this time as against previous year. The stockists are in the mood of hoarding in the speculation of good profit in the future term. Millers make themselves at sidelines, as they really can't afford to the price levels. The farmers are interested in releasing their stocks slowly. Speculation of bullish sentiments in medium term is playing a vital role among farmers. The arrivals are likely to increase gradually at higher price levels. At the Bikaner market guar seed was quoted higher in the range of Rs.1800-1900 per quintal, while at the Jodhpur market it was offered higher too between Rs. 1925-2000 per quintal during this week. At the Jodhpur market prices of guar gum offered in the range of Rs.4850-5150 per quintal during this week.

Guar Futures Market

The buying interest among the investors bolster the NCDEX Guar Futures at some higher levels. The December futures reached fortnight's high on good buying support. However, the volume as well as Open interest is seen decreasing during this week under review. The stochastic is in overbought region and moving upwards. MACD is in positive territory and moving upwards. Stock Position of guar seed at NCDEX accredited warehouses has increased to 11417 MT as on November 16, 2006 as against last week. No delivery intention among the investors is seen at NCDEX towards November 20, 2006 expiry contract. At the NCDEX, Guar Seed December contract traded in the range of Rs. 1990-2014 per qtl, while the most active January contract moved in the range of Rs. 2040-2064 per qtl. Guar Gum December contract traded in the range of Rs. 5096-5173 per qtl, while the most active January contract moved in the range of Rs. 5204-5270 per qtl..during weekend. The guar sentiment is likely to trade firm on good demand amidst steady arrivals.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Particular	Centre	Date		Change
		10.11.06	18.11.06	
Guar Seed	Bikaner	1850	1890-1900	+50.00
	Jodhpur	1930	1950-1970	+40.00
	Nokha	1820	1840	+20.00
	Sriganganagar	1810	1840	+30.00
Guar Gum	Jodhpur	5050-5075	5100	+25.00

Price Movement of Guar Seed and Gum at NCDEX

(Prices in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
10.11.06	1840.25	1825.15	5052.15
11.11.06	1872.25	1938.30	5109.00
13.11.06	1893.75	1835.20	5114.85
14.11.06	1869.75	1825.50	5075.10
15.11.06	1912.50	1840.00	5106.15
16.11.06	1933.25	1866.15	5176.35
17.11.06	1937.75	1863.35	5151.55
18.11.06	1917.05	1867.70	5138.95
Change	+76.80	+42.55	+86.80

Guar Seed Futures Prices at NCDEX

Dates	Nov. Contract		Dec. Contract		Jan. Contract	
	Open	Close	Open	Close	Open	Close
10.11.06	1903	1909	1940	1951	1982	1995
11.11.06	1907	1919	1957	1959	1998	2005
13.11.06	1924	1921	1963	1952	1998	1998
14.11.06	1907	1910	1944	1950	1991	1994
15.11.06	1910	1960	1950	2007	1993	2057
16.11.06	1960	1963	2008	1993	2060	2042
17.11.06	1955	1966	1987	2005	2036	2053
18.11.06	1961	1954	2009	1994	2058	2044

Guar Gum Futures Prices at NCDEX

Dates	Nov. Contract		Dec. Contract		Jan. Contract	
	Open	Close	Open	Close	Open	Close
10.11.06	4870	4884	4969	4993	5051	5086
11.11.06	4915	4922	4992	5025	5089	5120
13.11.06	4935	4923	5025	5020	5120	5111
14.11.06	4880	4889	4990	4996	5122	5090
15.11.06	4814	5045	5011	5165	5105	5266
16.11.06	5050	5042	5160	5122	5256	5220
17.11.06	4999	5018	5050	5141	5180	5237
18.11.06	5040	4988	5145	5108	5240	5214

PRICE DRIVERS:

1. Anticipation of somewhat lowers production from early expectation.
2. Continuous flow of fresh arrivals about 60,000 bags per day in all over India.
3. Unwillingness of farmers to release their stock at lower price levels.
4. Speculative buying at futures market.
5. Hoarding interest of stockists.
6. Steady export demand.
7. Lower guar seed price expectation of millers.
8. Decreasing volumes as well as open interest.

OUTLOOK:

Short Term (1 Week): The guar sentiment is likely to trade firm on good demand amidst fresh arrivals.

Medium Term (1 Month): Bullish on the anticipation of increasing demand amidst decreasing arrivals.

Long Term (3 Months): Bullish on the anticipation of higher domestic as well as export demand and stockiest activities to hoarding their position.

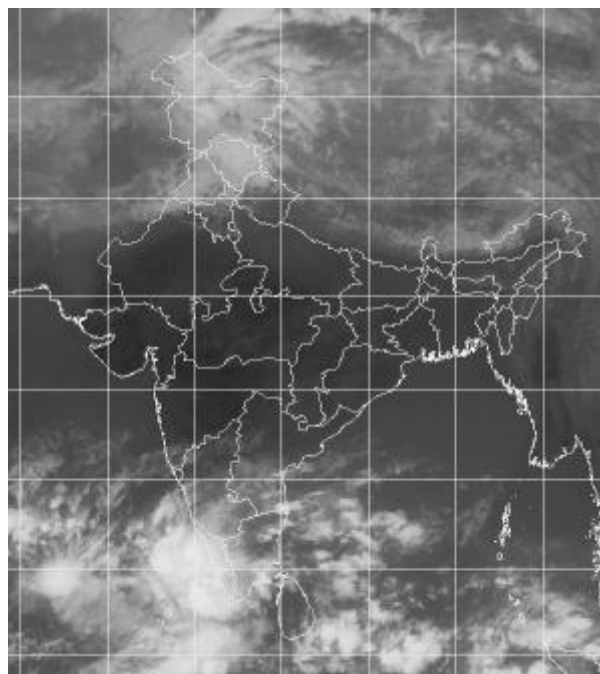
Monsoon Outlook (18.11.06)

- Fairly widespread rainfall activity over extreme south peninsula is likely to continue during next 48 hours.
- Night temperatures are 3-6 °C above normal over plains of northwest India. They are likely to fall by 2-3 °C over the region during next 2 days due to eastwards movement of western disturbance from Jammu & Kashmir.

Outlook for subsequent two days (Based on numerical weather products):

- A fresh western disturbance is likely to affect western Himalayan region and adjoining plains.

Source: GOI (IMD)



SATELLITE PICTURE OF MONSOON PROGRESS (18.11.06)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)
NCDEX January Contract

Candlestick: Formation of candlestick is indicating some weak sentiments. Sellers mainly dominated the market at higher price levels.

Stochastic: The stochastic is in normal region and moving slightly upwards.

MACD: MACD is in positive territory and moving slightly upwards.

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

Market Outlook:

The guar seeds futures are likely to trade firm on good demand amidst fresh arrivals.



TECHNICAL ANALYSIS

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