

GUAR SEED and GUAR GUM

November 21, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Mostly Weak
- Guar Futures: Settled Down on Increased Selling

TECHNICAL ANALYSIS

Commodity: **Guar Seed**
Perspective: Very Short Term
NCDEX December Contract



Chart Indicators:

Candlesticks: Bearish, weak opening
MACD: Bearish, moving downwards
Stochastic: Bullish, moving upwards
Overall: Moderately bearish

Market Outlook:

Guar seed futures are expected to trade moderately downwards following a weak opening initially and range bound upwards thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	1727	1715	1757	1767
Jan.	1785	1772	1820	1831

Intraday Trade Recommendations:

Sell December Guar Seed at 1740-1745 with **target** of 1725, then 1720. **Stop loss** at 1752.

Do not carry forward the position until the next day.

Commodity: **Guar Gum**
Perspective: Very Short Term
NCDEX December Contract



Chart Indicators:

Candlesticks: Bearish, weak opening
MACD: Bullish, crossover in positive zone
Stochastic: Bullish, upward correction
Overall: Moderately bearish

Market Outlook:

Guar gum futures are likely to trade moderately downwards following a weak opening initially and range bound upwards thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	4634	4600	4723	4746
Jan.	4740	4713	4830	4850

Intraday Trade Recommendations:

Sell December Guar Gum at 4695-4700 with **target** of 4655, then 4645. **Stop loss** at 4720.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower on increased selling pressure.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move moderately downwards following a weak opening initially and range bound upwards thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upward trade following a slightly weak opening at the early hours of trade. However, the futures got resisted on increased selling pressure and finished with losses. The December future traded in the range of 1739.00-1772.00 during today's trade. At the spot markets also guar seed was quoted lower at Rs 1750 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1680 per quintal, while at the Nokha market it was quoted at Rs 1610-1615 per quintal today. At the Sriganganagar market it was available at a slightly higher price of Rs 1580-1590 per quintal, while at the Shiwani market it was offered at a lower price of Rs 1590-1600 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded moderately upwards after a weak opening at the early hours of trade. However, the futures turned downwards on increased selling pressure and finished lower in final action. The December future traded in the range of 4675.00-4755.00 today. At the spot markets guar gum was quoted lower at Rs 4575 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets failed to extend the last week's advances today. The prices of both the guar seed as well as the guar gum was quoted mostly lower today on a moderately higher arrival at the major physical markets. The spillover weakness from the futures market has also underpinned the downside movement in prices of guar seed and guar gum at the physical markets. For a long-term perspective, the prices of both the guar seed and guar gum are likely to remain strong given the demand-supply scenario. The present outlook suggests that there would not be much mismatch between the annual demand and supply. The present crop size is likely to be within 45-50

lakh bags of 100 kgs. However, any further improvement in arrival scenario can pressurise the prices well. Under such circumstances the prices of both the guar seed and guar gum are expected to remain weak initially and range bound upwards thereafter in the next day.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	21.11.05	19.11.05	Change
	Bikaner	1680	1700	-20
Guar Seed	Jodhpur-B line	1750	1770-1775	-25
	Jodhpur-M line	1725	1750	-25
	Nokha	1610-1615	1620-1625	-10
	Sriganganagar	1580-1590	1575-1580	+10
	Shiwani	1590-1600	1600-1610	-10
Guar Gum	Jodhpur	4575	4625	-50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	356.60	355.50	353.90	-2.70

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward movement after a weak opening today. However, the January future finished lower on increased selling interest today.

WEATHER HIGHLIGHTS (21-11-05)

Favourable dry weather is prevailing over major guar growing regions of Rajasthan, Haryana and Gujarat.

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