

GUAR SEED and GUAR GUM

November 19, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Early Advances
- Guar Futures: Surged Up on Speculative Buying

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks	Bullish, firm opening
MACD	Slightly bullish, started moving upwards
Stochastic	Bullish, upward correction
Overall	Strong

Market Outlook:

Guar seed futures are expected to trade upwards following a firm opening with possibility of some late downtrend. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	1757	1744	1796	1805
Jan.	1812	1797	1869	1884

Intraday Trade Recommendations:

Buy December Guar Seed at 1765-1770 with **target** of 1790, then 1800. **Stop loss** at 1757.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks	Bullish, firm opening
MACD	Slightly bullish, started moving upwards
Stochastic	Bullish, upward correction
Overall	Strong

Market Outlook:

Guar gum futures are likely to trade upwards following a firm opening with possibility of some late downtrend. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	4686	4646	4798	4832
Jan.	4792	4765	4909	4936

Intraday Trade Recommendations:

Buy December Guar Gum at 4735-4740 with **target** of 4790, then 4800. **Stop loss** at 4725.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures surged up on heavy speculative buying.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move upwards following a firm opening with possibility of some downward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX surged up on heavy speculative buying following a firm opening today. The guar seed futures traded range bound for most of the session and jumped up in the last hour of trade. The December future traded in a higher range of 1717.00-1774.00 during today's trade. At the spot markets also guar seed was quoted higher at Rs 1770-1775 per quintal in Jodhpur market today. At the Bikaner market it was offered at a much higher price of Rs 1700 per quintal, while at the Nokha market it was available at a higher price of Rs 1620-1625 per quintal today. At the Sriganganagar market it was traded slightly higher at Rs 1575-1580 per quintal, while at the Shiwani market it was quoted at Rs 1600-1610 per quintal today.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a highly bullish sentiment after a slightly lower opening today. The December future traded in the range of 4587.00-4744.00 during today's trade. At the spot markets also guar gum was quoted much higher at Rs 4625 per quintal in Jodhpur market today.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended the firm sentiment today. Both the prices of guar seed as well as the guar gum soared up in the late hours of trade. The crop arrivals at the major physical markets remained lower than usual expectations of a heavy arrival during these days. The traders are expecting that the prices to rule firm if the arrival of the crop maintains its present momentum. Moreover, the late surge in the futures market has also lifted up the physical markets sentiment. 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. Under such circumstances the prices of both the guar seed and guar gum are expected to move upwards in the next day with possibility of late downtrend.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	19.11.05	18.11.05	Change
Guar Seed	Bikaner	1700	1650	+50
	Jodhpur-B line	1770-1775	1740	+35
	Jodhpur-M line	1750	1715	+35
	Nokha	1620-1625	1575-1580	+45
	Sriganganagar	1575-1580	1565-1570	+10
Guar Gum	Shiwani	1600-1610	1560-1565	+45
	Jodhpur	4625	4525	+100

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Nov.	363.30	363.00	363.00	-0.30
Jan.	348.90	349.50	356.60	+7.70

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a strong sentiment during today's trade following a firm opening today. The January future finished much higher on strong speculative buying interest today. However, the November future finished with slight losses before its expiration.

WEATHER HIGHLIGHTS (19-11-05)

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

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