

GUAR SEED and GUAR GUM

December 06, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Steady Trend Continues
- Guar Futures: Lower Amidst Rangebound Trade

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, weak opening
MACD: Slightly bearish, lying below signal line
Stochastic: Slightly bearish, %k-line started moving downwards
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	1670	1659	1695	1706
Jan.	1729	1719	1757	1766

Intraday Trade Recommendations:

Buy December Guar Seed at 1670 with **target** of 1685, then 1695. **Stop loss** at 1663.

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: Slightly bearish, lying below signal line
Stochastic: Bullish, upward movement continues
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	4522	4499	4580	4600
Jan.	4627	4605	4687	4709

Intraday Trade Recommendations:

Buy December Guar Gum at 4535 with **target** of 4560, then 4575. **Stop loss** at 4525.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower amidst range bound trade.

Mainly dry weather prevailed over guar growing regions.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed slight upward trade following a firm opening at the early hours of trade. However, the futures turned downwards and settled near to the day's low on increased selling pressure. The December future traded in the range of 1680.00-1703.00 during today's trade. At the spot markets guar seed was quoted lower at Rs 1720-1725 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a slightly lower price of Rs 1630 per quintal, while at the Nokha market it was offered at a steady price of Rs 1565 per quintal today. At the Sriganaganagar market it was quoted at an unchanged price of Rs 1580-1585 per quintal, while at the Shiwani market also it was offered at a steady price of Rs 1580-1585 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a moderate uptrend after a slightly lower opening at the early hours of trade. However, the futures traded downwards thereafter on higher selling pressure. The December future traded in the range of 4555.00-4613.00 today. At the spot markets guar gum was quoted steady at Rs 4550-4575 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound trade with a slightly bearish undertone today. The prices of guar seed at Jodhpur and Bikaner market were quoted slightly lower but the prices remained stable at other markets. The prices of guar gum were also remained unchanged today. The arrivals at the major markets are reported to be steady to slightly higher today. However, the arrivals are likely to decline gradually in the coming days, which would pressurise the prices upwards in the long-term period. However, in the short-term perspectives, the prices of guar

seed as well as the guar gum are expected to move moderately downwards initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	06.12.05	05.12.05	Change
	Bikaner	1630	1635	-5
Guar Seed	Jodhpur-B line	1720-1725	1730-1735	-10
	Jodhpur-M line	1700-1705	1710-1715	-10
	Nokha	1565	1565	-
	Sriganganagar	1580-1585	1580-1585	-
	Shiwani	1580-1585	1580	-
Guar Gum	Jodhpur	4550-4575	4550-4575	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	343.80	345.20	342.70	-1.10

Price Movements at Bikaner Vayda

The Bikaner vayda extended yesterday's advances following a firm opening initially. However, the January future slid from the day's high on increased selling pressure and settled at a lower ground today.

WEATHER HIGHLIGHTS (06-12-05)

Cold wave conditions are prevailing over Jammu & Kashmir and over isolated pockets of Punjab and Haryana. They are likely to abate during next 2-3 days. Mainly dry weather is prevailing over major guar growing regions.

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