

GUAR SEED and GUAR GUM

December 26, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Stable Sentiment
- Guar Futures: Up; Profit Taking Curbed Some Gains

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening

MACD: Bullish, moving upwards in negative region

Stochastic: Slightly bearish, %K-line started moving downwards in normal region

Overall: Moderately bullish

Market Outlook:

The guar seed futures are expected to trade upwards following a steady to firm opening with possibility of some downward technical correction from the higher levels. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1706	1696	1738	1750
Feb.	1752	1741	1782	1792

Intraday Trade Recommendations:

Buy January Guar Seed at 1710 with **target** of 1730, then 1740. **Stop loss** at 1700.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening

MACD: Bullish, moving upwards in negative region

Stochastic: Slightly bearish, %K-line started moving downwards in normal region

Overall: Moderately bullish

Market Outlook:

The guar gum futures are likely to trade upwards following a steady to firm opening with possibility of some downward technical correction from the higher levels. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4540	4523	4630	4648
Feb.	4646	4622	4737	4759

Intraday Trade Recommendations:

Buy January Guar Gum at 4545 with **target** of 4585, then 4600. **Stop loss** at 4525.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures managed to settle higher after profit taking curbed most of the early gains in late action.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move upwards following a steady to firm opening with possibility of some downward correction from the higher levels.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade following a firm opening today. However, profit taking at the higher levels curbed some of the gains, but the futures managed to settle with some gains in final action. The January future traded in the range of 1701.00-1724.00 during today's trade. At the spot markets guar seed was quoted steady at Rs 1730 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a slightly higher price of Rs 1635 per quintal, while at the Nokha market it was traded at a higher price of Rs 1565 per quintal today. At the Sriganganagar market it was available at a higher price of Rs 1535 per quintal, while at the Shiwani market it was quoted higher at Rs 1600 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a much higher opening today. However, profit taking at the higher levels capped further advances but the futures managed to finish with some gains today. The January future traded in the range of 4535.00-4580.00 today. At the spot markets guar gum was quoted unchanged at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a firm sentiment during today's trade. The prices of the guar seed were quoted steady to higher, while that of guar gum remained unchanged today as against Saturday. The arrivals at the major physical markets are reported to be steady at around 26000-28000 bags during today's trade and consequently the prices of both the guar seed as well as guar gum maintained the firmness. The stable futures market has also supported the firm sentiment in guar prices at the physical markets. Under such situations, the prices of both the guar seed as well as guar gum are expected to move upwards following a steady to firm opening in the next day with possibility of some downward technical correction from the higher levels.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	26.12.05	24.12.05	Change
Guar Seed	Bikaner	1635	1630	+5
	Jodhpur-B line	1730	1730	-
	Jodhpur-M line	1705	1705	-
	Nokha	1565	1550	+15
Guar Gum	Sriganganagar	1535	1525	+10
	Shiwani	1600	1590	+10
	Jodhpur	4550	4550	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	335.90	338.50	337.50	+1.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward trade following a much higher opening at the early hours of trade. However, the January future settled near to the day's low in final action on profit taking at the higher levels, but managed to hold some gains.

WEATHER HIGHLIGHTS (26-12-05)

NORTH: Weather will be mainly dry in the region. Isolated to scattered rain/snow likely over Jammu & Kashmir and Himachal Pradesh from 28th onwards.

WEST: Mainly dry weather over the region.

Overall, mainly dry weather is prevailing over major guar growing regions.

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