

## GUAR SEED and GUAR GUM

December 17, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Down; Curbed Yesterday's Advances

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Moderately bearish, lying below signal line  
**Stochastic:** Moderately bullish, moving upwards in normal region  
**Overall:** Moderately bearish

#### Market Outlook:

The guar seed futures are expected to trade moderately downwards following a steady to weak opening in the next day with possibility of some upwards movement later. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|----------|--------|--------|-------|-------|
| Jan.     | 1646   | 1635   | 1670  | 1680  |
| Feb.     | 1688   | 1678   | 1711  | 1721  |

#### Intraday Trade Recommendations:

**Buy** January Guar Seed at 1650 with **target** of 1665, then 1675. **Stop loss** at 1642.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Moderately bearish, lying below signal line  
**Stochastic:** Moderately bullish, moving upwards in normal region  
**Overall:** Moderately bearish

#### Market Outlook:

The guar gum futures are likely to trade moderately downwards following a steady to weak opening in the next day with possibility of some upwards movement later. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|----------|--------|--------|-------|-------|
| Jan.     | 4384   | 4363   | 4452  | 4471  |
| Feb.     | 4478   | 4459   | 4538  | 4556  |

#### Intraday Trade Recommendations:

**Buy** January Guar Gum at 4390 with **target** of 4420, then 4435. **Stop loss** at 4375.

Do not carry forward the position until the next day.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures curbed yesterday's advances on increased speculative selling.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move moderately downwards following a steady to weak opening initially with possibility of some upwards movement later.

## MARKET COMMENTARY

### GUAR SEED:

The guar seed futures at the NCDEX witnessed a downward trade following a firm opening today. Increased speculative selling at the higher levels ahead of December contract maturity has underpinned the downward movement in guar seed futures prices. The January future traded in the range of 1656.00-1684.00 during today's trade. At the spot markets also guar seed was quoted lower at Rs 1685 per quintal in Jodhpur market today. At the Bikaner market it was available at a lower price of Rs 1585 per quintal, while at the Nokha market it was traded at a lower price of Rs 1525-1530 per quintal today. At the Sriganganagar market it was offered at a slightly lower price of Rs 1500-1505 per quintal, while at the Shiwani market it was quoted steady at Rs 1530 per quintal during today's trade.

### GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish sentiment after a firm opening today. The futures turned downwards on increased speculative selling at the higher levels and settled near to the day's low in final action. The January future traded in the range of 4415.00-4480.00 today. At the spot markets also guar gum was quoted lower at Rs 4425 per quintal in Jodhpur market today.

### PHYSICAL MARKET SENTIMENTS:

The guar physical markets failed to extend yesterday advances during today's trade. The prices of both the guar seed as well as guar gum were quoted mostly lower today as against yesterday. The arrivals at the major physical markets are reported to be steady at around 30000-35000 bags during today's trade. The prices are hovering near the present levels for the last couple of days on almost steady arrivals. However, the speculative selling pressure at the futures market and consequent downfall in futures prices has dampened the physical market sentiments today. Traders are expecting the market to remain steady in the coming days. Under such situations, the prices of both the guar seed as well as guar gum are expected to move moderately downwards initially following a steady to weak opening with possibility of some upwards movement later.

## Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

| Commodity | Centres        | 17.12.05  | 16.12.05  | Change |
|-----------|----------------|-----------|-----------|--------|
| Guar Seed | Bikaner        | 1585      | 1600      | -15    |
|           | Jodhpur-B line | 1685      | 1700      | -15    |
|           | Jodhpur-M line | 1660      | 1675      | -15    |
|           | Nokha          | 1525-1530 | 1540-1545 | -15    |
|           | Sriganganagar  | 1500-1505 | 1505-1510 | -5     |
| Guar Gum  | Shiwani        | 1530      | 1530      | -      |
|           | Jodhpur        | 4425      | 4450      | -25    |

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

| Contract | Prev. Close | Open   | Close  | Change |
|----------|-------------|--------|--------|--------|
| Jan.     | 329.80      | 330.20 | 327.90 | -1.90  |

### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward movement after a firm opening at the early hours of trade. However, the futures moved downwards thereafter on increased speculative selling. The January future settled lower during today's trade.

## WEATHER HIGHLIGHTS (17-12-05)

**NORTH:** Isolated rain/snow likely over higher reaches of Jammu & Kashmir and Himachal Pradesh. Mainly dry weather over rest of the region.

**WEST:** Mainly dry weather over the region.

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

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