

GUAR SEED and GUAR GUM

December 31, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Stable Sentiment
- Guar Futures: Slightly Up Amidst Rangebound Trade

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: Bearish, negative crossover occurred in normal region

Overall: Slightly bullish

Market Outlook:

The guar seed futures are expected to trade moderately upwards following a steady to firm opening with possibility of a downward correction. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1703	1695	1737	1745
Feb.	1758	1747	1790	1800

Intraday Trade Recommendations:

Buy January Guar Seed near 1715 with **target** of 1730, then 1740. **Stop loss** at 1707.

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: Bearish, negative crossover in normal region

Overall: Slightly bullish

Market Outlook:

The guar gum futures are likely to trade moderately upwards following a steady to firm opening with possibility of a downward correction. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4568	4544	4660	4681
Feb.	4670	4646	4763	4787

Intraday Trade Recommendations:

Buy January Guar Gum near 4615 with **target** of 4645, then 4660. **Stop loss** at 4600.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled marginally higher as profit taking at the higher levels capped further advances.

Arrivals at the major markets reported to be steady at around 25000-27000 bags during today's trade.

Prices are likely to move moderately upwards following a steady to firm opening with possibility of a downward correction in the next trading day.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed slight downtrend following a steady opening at the early hours of trade. However, the futures turned upwards thereafter on moderate buying interest. The January future traded in the range of 1713.00-1731.00 during today's trade. At the spot markets guar seed was quoted steady at Rs 1735 per quintal in Jodhpur market during today's trade. At the Bikaner market it was offered at a higher price of Rs 1660 per quintal, while at the Nokha market it was traded at an unchanged price of Rs 1580 per quintal today. At the Sriganganagar market it was available at an unchanged price of Rs 1550 per quintal, while at the Shiwani market it was quoted steady at Rs 1630 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some downward movement after a weak opening initially. However, the futures turned upward thereafter on increased buying support. The January future traded in the range of 4588.00-4636.00 today. At the spot markets guar gum was quoted higher at Rs 4600-4625 per quintal in Jodhpur market during today's trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a steady to firm sentiment during today's trade. The prices of both the guar seed as well as guar gum were quoted steady to higher today as against yesterday. The arrivals at the major physical markets are reported to be steady at around 25000-26000 bags, but the prices of guar maintained the stable sentiment today. Moreover, slight uptrend at the futures market has also supported the physical market sentiments. Under such situations, the prices of guar seed as well as guar gum are expected to move moderately upwards following a steady to firm opening with possibility of a downward correction in the next trading day.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	31.12.05	30.12.05	Change
	Bikaner	1660	1650	+10
Guar Seed	Jodhpur-B line	1735	1735	-
	Jodhpur-M line	1710	1710	-
	Nokha	1580	1580	-
	Sriganganagar	1550	1550	-
	Shiwani	1630	1630	-
Guar Gum	Jodhpur	4600-4625	4575-4600	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	339.30	340.00	340.80	+1.50

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a firm sentiment following a higher opening today. The January future settled moderately higher today on increased buying support.

WEATHER HIGHLIGHTS (31-12-05)

NORTH: Fairly widespread rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal and to scattered rain/thundershowers over the plains of Punjab, Haryana (Chandigarh & Delhi) and West Uttar Pradesh. It is likely to increase from 1st January 2006 onwards.

WEST: Mainly dry weather over the region. Scattered rain/thundershowers likely over north Rajasthan from 1st January and isolated rain/thundershowers over south Rajasthan.

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

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