

GUAR SEED and GUAR GUM

December 21, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Steady Today
- Guar Futures: Higher on Some Buying Support

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Moderately bullish, steady to firm opening

MACD: Bullish, positive crossover occurred

Stochastic: Moderately bullish, positive crossover in normal region

Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1652	1642	1675	1685
Feb.	1695	1685	1720	1730

Intraday Trade Recommendations:

Buy January Guar Seed at 1655 with **target** of 1670, then 1680. **Stop loss** at 1647.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Moderately bullish, steady to firm opening

MACD: Slightly bearish, moving downwards

Stochastic: Moderately bullish, positive crossover likely in normal region

Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4393	4376	4472	4487
Feb.	4487	4467	4584	4603

Intraday Trade Recommendations:

Buy January Guar Gum at 4400-4405 with **target** of 4440, then 4460. **Stop loss** at 4385.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished higher on increased buying supported at the lower price levels.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move moderately downwards following a steady to firm opening with possibility of some upwards movement later in the session.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade following a steady opening today. Increased buying support at the lower price levels pushed up the futures and the futures settled near to the day's high in final action. The January future traded in the range of 1644.00-1666.00 during today's trade. At the spot markets guar seed was quoted steady at Rs 1690 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a slightly higher price of Rs 1600-1605 per quintal, while at the Nokha market it was available at a steady price of Rs 1530 per quintal today. At the Sriganganagar market it was offered at an unchanged price of Rs 1505 per quintal, while at the Shiwani market it as quoted higher at Rs 1550 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a weak opening today. Increased buying support at the lower price levels has underpinned the uptrend and the futures finished near to the day's high in final action. The January future traded in the range of 4374.00-4425.00 today. At the spot markets guar gum was quoted higher at Rs 4425 per quintal in Jodhpur market at the evenings session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average steady to firm sentiment during today's trade. The prices of both the guar seed as well as guar gum were quoted mostly steady to higher today as against yesterday. The arrivals at the major physical markets are reported to be steady at around 26000-28000 bags during today's trade. Traders are expecting that the prices of guar at the physical markets would stabilise and may hold some gains in the coming days. Moreover, moderate buying support at the lower price levels at the futures market and consequently the slight gains in guar futures prices has supported the prices of guar at the physical market to stabilise today. Under such situations, the prices of both the guar seed as well as guar gum are expected to move moderately downwards following a steady to firm opening initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	21.12.05	20.12.05	Change
	Bikaner	1600-1605	1590-1600	+5
Guar Seed	Jodhpur-B line	1690	1685-1690	-
	Jodhpur-M line	1665	1660	+5
	Nokha	1530	1525-1530	-
	Sriganganagar	1505	1500-1505	-
	Shiwani	1550	1540	+10
Guar Gum	Jodhpur	4425	4375-4400	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	325.00	325.40	327.90	+2.90

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward movement following a firm opening during today's trade. The January future finished higher near to the day's high on increased buying support at the lower price levels today.

WEATHER HIGHLIGHTS (21-12-05)

NORTH: Rain/snow likely at isolated places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain /thundershowers likely over Punjab & Uttar Pradesh. Weather will be mainly dry in the rest region.

WEST: Mainly dry weather over the region.

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

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