

GUAR SEED and GUAR GUM

December 22, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Highly Strong Today
- Guar Futures: Surged Up on Increased Buying Support

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Highly bullish, firm opening
MACD: Bullish, positive crossover occurred
Stochastic: Moderately bullish, positive crossover in normal region
Overall: Bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1702	1690	1750	1763
Feb.	1745	1731	1800	1812

Intraday Trade Recommendations:

Buy January Guar Seed at 1710-1715 with **target** of 1735, then 1745. **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: Highly bullish, firm opening
MACD: Bullish, positive crossover occurred
Stochastic: Moderately bullish, positive crossover in normal region
Overall: Bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4517	4489	4621	4648
Feb.	4634	4595	4764	4801

Intraday Trade Recommendations:

Buy January Guar Gum at 4540-4545 with **target** of 4590, then 4610. **Stop loss** at 4520.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures surged up on late buying support and settled near to the day's high in final action.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move slightly downwards following a firm opening initially and upwards thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a highly bullish sentiment following a firm opening today. The guar seed futures surged up on increased buying support and settled much higher near to the day's high on final action. The January future traded in the range of 1659.00-1719.00 during today's trade. At the spot markets guar seed was quoted much higher at Rs 1730-1735 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a higher price of Rs 1630 per quintal, while at the Nokha market it was traded at a higher price of Rs 1570 per quintal today. At the Sriganganagar market it was available at a higher price of Rs 1525 per quintal, while at the Shiwani market it was quoted higher at Rs 1585 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX surged up today after a firm opening. The guar gum futures finished much higher near to the day's high on late buying support. The January future traded in the range of 4414.00-4560.00 today. At the spot markets guar gum was quoted much higher 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 both the guar seed as well as guar gum were quoted much higher today as against yesterday. The arrivals at the major physical market are reported to be steady at around 26000-28000 bags during today's trade. However, increased buying interest at the futures market and consequently the late surge in guar futures prices have underpinned the upward movement in prices of both the guar seed as well as guar gum at the physical markets. Under such situations, the prices of guar seed as well as guar gum are expected to move slightly downwards following a firm opening initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	22.12.05	21.12.05	Change
	Bikaner	1630	1600-1605	+30
Guar Seed	Jodhpur-B line	1730-1735	1690	+45
	Jodhpur-M line	1705	1665	+40
	Nokha	1570	1530	+40
	Sriganganagar	1525	1505	+20
	Shiwani	1585	1550	+35
Guar Gum	Jodhpur	4550	4425	+125

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	327.90	328.10	336.80	+8.90

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed huge uptrend following a firm opening during today's trade. The January future finished much higher near to the day's high on increased buying support throughout the day.

WEATHER HIGHLIGHTS (22-12-05)

NORTH: Rain/snow likely at isolated places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain /thundershowers likely over East 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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