

GUAR SEED and GUAR GUM

December 30, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Weak Amidst Steady Arrival
- Guar Futures: Lower on Increased Selling Pressure

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards in negative region
Stochastic: Bearish, negative crossover occurred in normal region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1701	1690	1728	1738
Feb.	1751	1742	1775	1784

Intraday Trade Recommendations:

Buy January Guar Seed near 1705 with **target** of 1725, then 1735. **Stop loss** at 1691.

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: Bullish, moving upwards in negative region
Stochastic: Bearish, negative crossover in normal region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4552	4532	4615	4634
Feb.	4656	4636	4721	4743

Intraday Trade Recommendations:

Buy January Guar Gum near 4570 with **target** of 4600, then 4615. **Stop loss** at 4555.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower on increased selling pressure.

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

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed slight uptrend following a weak opening at the early hours of trade. However, the futures turned southwards thereafter on increased selling pressure. The January future traded in a lower range of 1712.00-1736.00 during today's trade. At the spot markets also guar seed was quoted much lower at Rs 1735 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a lower price of Rs 1650 per quintal, while at the Nokha market also it was traded at a lower price of Rs 1580 per quintal today. At the Sriganganagar market it was offered at a lower price of Rs 1550 per quintal, while at the Shiwani market it was quoted lower at Rs 1630 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some upward movement after a weak opening initially. However, the futures turned downward thereafter on increased selling pressure. The January future traded in the range of 4568.00-4638.00 today. At the spot markets also guar gum was quoted lower at Rs 4575-4600 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained mostly weak during today's trade. The prices of both the guar seed as well as guar gum were quoted lower today as against yesterday. The arrivals at the major physical markets are reported to be steady at a round 25000-27000 bags today and consequently the prices of guar went downward. Moreover, the spillover weakness from the futures market has also dampened the physical market sentiments. However, traders are expecting the prices of guar to recover fast. Under such situations, the prices of guar seed as well as guar gum are expected to move slightly downwards following a steady to weak opening initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	30.12.05	29.12.05	Change
Guar Seed	Bikaner	1650	1670	-20
	Jodhpur-B line	1735	1760	-25
	Jodhpur-M line	1710	1735	-25
	Nokha	1580	1590	-10
Guar Gum	Sriganganagar	1550	1560	-10
	Shiwani	1630	1640	-10
	Jodhpur	4575-4600	4600-4625	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	341.20	341.20	339.30	-1.90

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a steady opening today. The January future settled lower today on increased selling pressure throughout the day.

WEATHER HIGHLIGHTS (30-12-05)

NORTH: Scattered rainfall/snowfall is likely to commence over Western Himalayas and isolated to scattered rain/thundershowers over the plains of Punjab, Haryana (Chandigarh & Delhi) and West Uttar Pradesh from 31st December, which is likely to increase from 1st January 2006.

WEST: Mainly dry weather over the region. Isolated rain/thundershowers likely over north Rajasthan from 1st January.

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

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