

## GUAR SEED and GUAR GUM

December 13, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Mostly Bearish
- Guar Futures: Slid; Fresh Lows in Later Months

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Bearish, lying below signal line  
**Stochastic:** Moderately bearish, moving downwards in oversold region  
**Overall:** Moderately bearish

#### Market Outlook:

The guar seed futures are expected to trade moderately downwards initially following a weak opening in the next day. However, some upwards movement is likely in the later session of trade. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

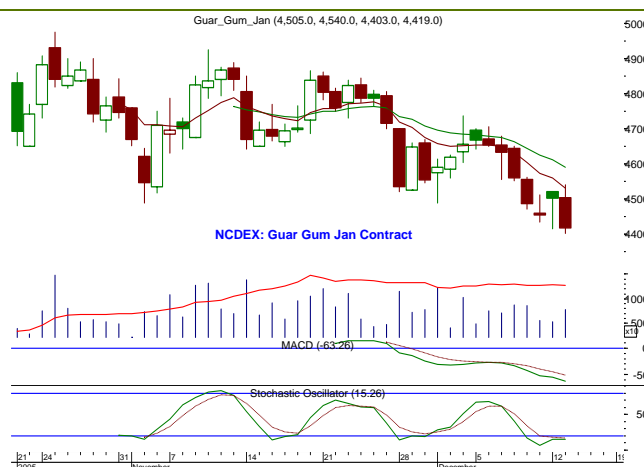
Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1646	1633	1685	1697
Feb.	1689	1678	1724	1735

#### Intraday Trade Recommendations:

**Buy** January Guar Seed at 1650 with **target** of 1665, then 1675. **Stop loss** at 1643.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Bearish, lying below signal line  
**Stochastic:** Moderately bearish, moving downwards in oversold region  
**Overall:** Moderately bearish

#### Market Outlook:

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

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4382	4358	4465	4491
Feb.	4478	4451	4562	4594

#### Intraday Trade Recommendations:

**Buy** January Guar Gum at 4400 with **target** of 4430, then 4445. **Stop loss** at 4386.

Do not carry forward the position until the next day.

## SALIENT POINTS OF THE DAY

Guar seed and gum futures slid on late speculative selling pressure.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move moderately downwards following a weak opening in the next day. However, some upwards movement are expected later in the session.

## MARKET COMMENTARY

### GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish sentiment following a firm opening today. The futures turned downward thereafter on increased selling pressure at the higher levels. The January future traded in the range of 1658.00-1710.00 during today's trade. At the spot markets also guar seed was quoted lower at Rs 1690 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a steady price of Rs 1600 per quintal, while at the Nokha market it was offered steady at Rs 1530 per quintal today. At the Sriganganagar market it was traded at a lower price of Rs 1530 per quintal, while at the Shiwani market it was quoted steady at Rs 1560 per quintal during today's trade.

### GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a firm opening today. The futures turned bearish on increased selling interest at the higher levels. The January future traded in the range of 4403.00-4540.00 today. At the spot markets also guar gum was quoted lower at Rs 4425 per quintal in Jodhpur market at the evening session of trade.

### PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended yesterday's advances at the early hours of trade today. However, speculative selling capped further advances and the prices of guar seed as well as guar gum was quoted on an average lower today as against yesterday. The arrivals at the major physical markets remained steady today. However, the late slid at the futures market has underpinned the downtrend in guar prices at the physical markets. Under such circumstances the prices of both the guar seed and guar gum are expected to move further downwards following a weak opening in the next day with possibility of upwards movement later in the session.

## Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	13.12.05	12.12.05	Change
Guar Seed	Bikaner	1600	1590-1600	-
	Jodhpur-B line	1690	1700	-10
	Jodhpur-M line	1670	1675	-5
	Nokha	1530	1530	-
	Sriganganagar	1530	1540-1545	-15
	Shiwani	1560	1560	-
Guar Gum	Jodhpur	4425	4475	-50

## BIKANER GUAR VAYDA

### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	334.00	334.20	328.10	-5.90

### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward trade following a firm opening at the early hours of trade. However, increased speculative selling at the higher levels pressurised the futures thereafter and the futures turned downwards. The January future finished much lower during today's trade.

## WEATHER HIGHLIGHTS (13-12-05)

**NORTH:** Isolated rain/snow likely over Jammu & Kashmir. Mainly dry weather is likely over 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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