

GUAR SEED and GUAR GUM

December 16, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Firm Sentiment
- Guar Futures: Settled Higher on Buying Support

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening
MACD: Moderately bearish, lying below signal line
Stochastic: Moderately bullish, positive technical correction
Overall: Slightly bullish

Market Outlook:

The guar seed futures are expected to trade upwards following a steady to firm opening in the next day with possibility of some downwards movement later in the session. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1667	1657	1695	1705
Feb.	1711	1700	1735	1745

Intraday Trade Recommendations:

Buy January Guar Seed at 1670 with **target** of 1685, then 1695. **Stop loss** at 1662.

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: Moderately bearish, lying below signal line
Stochastic: Moderately bullish, positive technical correction
Overall: Slightly bullish

Market Outlook:

The guar gum futures are likely to trade upwards following a steady to firm opening in the next day with possibility of some downwards movement later in the session. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4450	4429	4517	4540
Feb.	4534	4516	4608	4629

Intraday Trade Recommendations:

Buy January Guar Gum at 4470 with **target** of 4500, then 4515. **Stop loss** at 4455.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures maintained the firm sentiment on increased buying support.

Mainly dry weather prevailed over guar growing regions.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some downwards movement following firm opening at the early hours of trade. However, the futures traded upwards thereafter on increased buying support. The January future traded in the range of 1658.00-1685.00 during today's trade. At the spot markets guar seed was quoted higher at Rs 1700 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at an unchanged price of Rs 1600 per quintal, while at the Nokha market it was offered higher at Rs 1540-1545 per quintal today. At the Sriganganagar market it was traded at a lower price of Rs 1505-1510 per quintal, while at the Shiwani market it was quoted lower at Rs 1530 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some downwards movement after a firm opening at the early hours of trade. However, the futures traded upwards thereafter on increased buying support. The January future traded in the range of 4417.00-4488.00 today. At the spot market guar gum was quoted steady at Rs 4450 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets maintained yesterday's advances during today's trade. The prices of guar seed were quoted mostly steady to higher, while the prices of guar gum remained at an unchanged level today. The arrivals at the major physical markets are reported to be steady at around 30000-32000 bags during today's trade. Moreover, slight advances at the futures market have also supported the physical market sentiments. Under such situations, the prices of both the guar seed as well as guar gum are expected to witness an upward trade following a steady to firm opening in the next day with possibility of some downwards movement later in the session.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	16.12.05	15.12.05	Change
Guar Seed	Bikaner	1600	1595-1600	-
	Jodhpur-B line	1700	1690-1695	+10
	Jodhpur-M line	1675	1665	+10
	Nokha	1540-1545	1530	+15
	Sriganganagar	1505-1510	1520	-15
	Shiwani	1530	1540	-10
Guar Gum	Jodhpur	4450	4425-4450	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	327.80	327.70	329.80	+2.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some downward movement after a slightly lower opening at the early hours of trade. However, the futures moved upwards on increased buying support. The January future settled higher during today's trade.

WEATHER HIGHLIGHTS (16-12-05)

NORTH: Isolated rain/snow likely over higher reaches of Jammu & Kashmir and Himachal Pradesh. Mainly dry weather over rest of the region.

WEST: Mainly dry weather over the region.

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

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