

GUAR SEED and GUAR GUM

December 27, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Settled Down Amidst Side-ways Trade

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bearish, steady to weak opening

MACD: Bullish, moving upwards in negative region

Stochastic: Slightly bullish, %K-line started moving upwards again in normal region

Overall: Slightly bullish

Market Outlook:

The guar seed futures are expected to trade moderately 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.	1697	1685	1731	1743
Feb.	1749	1736	1782	1792

Intraday Trade Recommendations:

Buy January Guar Seed below 1700 with **target** of 1720, then 1730. **Stop loss** at 1692.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bearish, steady to weak opening

MACD: Bullish, moving upwards in negative region

Stochastic: Slightly bullish, %K-line started moving upwards again in normal region

Overall: Slightly bullish

Market Outlook:

The guar gum futures are likely to trade moderately 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.	4519	4489	4595	4628
Feb.	4624	4599	4711	4737

Intraday Trade Recommendations:

Buy January Guar Gum below 4530 with **target** of 4570, then 4585. **Stop loss** at 4510.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished slightly lower after a side-ways trade for the maximum time.

Mainly dry weather prevailed over guar growing regions.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a range bound downward trade following a firm opening today. The futures moved side-ways for the maximum time, but settled with some losses in final action. The January future traded in the range of 1695.00-1717.00 during today's trade. At the spot markets guar seed was quoted lower at Rs 1725 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a slightly lower price of Rs 1630 per quintal, while at the Nokha market it was available steady at Rs 1565 per quintal today. At the Sriganganagar market it was traded at Rs 1540 per quintal, while at the Shiwani market it was quoted unchanged at Rs 1600 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a range bound downward trade after a firm opening today. The guar gum futures traded side-ways for the maximum time, but finally finished with some losses. The January future traded in the range of 4525.00-4564.00 today. At the spot markets guar seed was quoted lower at Rs 4525 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound trade with a bearish undertone today. The prices of guar seed as well as guar gum were quoted steady to lower today as against yesterday. The arrivals at the major physical markets remained steady at around 26000-28000 bags today and consequently the prices faced a slight downtrend. Moreover, the marginal weakness at the futures market has also underpinned the downtrend in guar prices at the physical markets. 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 weak opening initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	27.12.05	26.12.05	Change
Guar Seed	Bikaner	1630	1635	-5
	Jodhpur-B line	1725	1730	-5
	Jodhpur-M line	1700	1705	-5
	Nokha	1565	1565	-
Guar Gum	Sriganganagar	1540	1535	+5
	Shiwani	1600	1600	-
	Jodhpur	4525	4550	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	337.50	336.50	336.00	-1.50

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a weak opening today. The January future settled near to the day's low on increased selling pressure throughout the day.

WEATHER HIGHLIGHTS (27-12-05)

NORTH: Rainfall/snowfall is likely at a few places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal. Isolated light rain may also occur over Punjab and Uttar Pradesh.

WEST: Mainly dry weather over the region.

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

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