

GUAR SEED and GUAR GUM

December 09, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Settled Down, Dec Tested 2-Month Low

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Highly bearish, weak opening
MACD: Bearish, lying below signal line
Stochastic: Bearish, %K-line entered oversold region
Overall: Bearish

Market Outlook:

The guar seed futures are expected to trade further downwards following a weak opening initially with possibility of an upward correction later in the session. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	1619	1606	1655	1665
Jan.	1659	1644	1701	1712

Intraday Trade Recommendations:

Sell December Guar Seed at 1640 with **target** of 1625, then 1615. **Stop loss** at 1647.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Highly bearish, weak opening
MACD: Bearish, lying below signal line
Stochastic: Bearish, %K-line entered oversold region
Overall: Bearish

Market Outlook:

The guar gum futures are likely to trade further downwards following a weak opening initially with possibility of an upward correction later in the session. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	4344	4310	4425	4459
Jan.	4437	4410	4524	4548

Intraday Trade Recommendations:

Sell December Guar Gum at 4405 with **target** of 4375, then 4360. **Stop loss** at 4420.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures slid significantly on speculative selling.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move further downwards following a weak opening with possibility of an upward correction later in the session.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX extended the bearish trend following a slightly higher opening today. The futures settled near to the day's low on increased speculative selling. The December future tested 2-month low during today's trade, while the later months tested fresh contract month lows. The December future traded in the range of 1634.00-1668.00 during today's trade. At the spot markets also guar seed was quoted lower at Rs 1675 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1575 per quintal, while at the Nokha market it was traded at a lower price of Rs 1530 per quintal today. At the Sriganganagar market it was available at a lower price of Rs 1555 per quintal, while at the Shiwani market it was quoted lower at Rs 1550 per quintal today.

GUAR GUM:

The guar gum futures at the NCDEX extended previous weakness after a lower opening today. The gum futures finished down near to the day's low in final action. The December future traded in the range of 4386.00-4468.00 today. At the spot markets also guar gum was quoted lower at Rs 4400-4425 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a bearish sentiment during today's trade. The prices of both the guar seed as well as the guar gum were quoted much lower today as against yesterday. The arrivals at the major physical markets were reported to be slightly higher today as against yesterday. Moreover, increased speculative selling at the futures market and consequent downfall in the futures prices have also pressurised the prices of both the guar seed as well as guar gum at the physical markets. For a short-term perspective, the prices of both the guar seed and guar gum are expected to move further downwards initially in the next day with an upward correction likely during the later session of trade.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	09.12.05	08.12.05	Change
Guar Seed	Bikaner	1575	1610	-35
	Jodhpur-B line	1675	1700-1710	-35
	Jodhpur-M line	1650	1680-1690	-40
	Nokha	1530	1545-1550	-20
Guar Gum	Sriganganagar	1555	1565-1570	-15
	Shiwani	1550	1575	-25
	Jodhpur	4400-4425	4475	-75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	336.90	334.80	331.50	-5.40

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a highly bearish sentiment following a weak opening today. The January future finished much lower today on increased speculative selling pressure.

WEATHER HIGHLIGHTS (09-12-05)

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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