

GUAR SEED and GUAR GUM

December 23, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Bearish on Higher Arrivals
- Guar Futures: Down on Profit Taking, Late Selling

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, weak opening
MACD: Bullish, moving upwards in negative region
Stochastic: Moderately bullish, moving upwards in normal region
Overall: Slightly bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1676	1663	1706	1719
Feb.	1715	1702	1750	1762

Intraday Trade Recommendations:

Buy January Guar Seed at 1675-1680 with **target** of 1690, then 1700. **Stop loss** at 1658.

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: Bullish, moving upwards in negative region
Stochastic: Moderately bullish, moving upwards in normal region
Overall: Slightly bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4448	4427	4519	4540
Feb.	4553	4527	4630	4654

Intraday Trade Recommendations:

Buy January Guar Gum at 4465-4470 with **target** of 4510, then 4525. **Stop loss** at 4440.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower on late selling pressure; cut back half of yesterday's gains.

Mainly dry weather prevailed over guar growing regions.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX extended yesterday's advances today following a firm opening at the early hours of trade. However, some profit taking as well as late speculative selling curbed half of yesterday's gains in final action. The January future traded in the range of 1689.00-1731.00 during today's trade. At the spot markets guar seed was quoted lower at Rs 1715 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1620 per quintal, while at the Nokha market it was available at a lower price of Rs 1550 per quintal today. At the Sriganganagar market it was traded at a lower price of Rs 1515 per quintal, while at the Shiwani market it was quoted lower at Rs 1570 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a firm sentiment after a higher opening initially. However, the futures turned downwards on some profit taking and late speculative selling pressure. The January future traded in the range of 4488.00-4595.00 today. At the spot markets guar gum was quoted lower at Rs 4500 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained steady at the higher levels at the morning session of trade today. However, the prices of both the guar seed as well as guar gum were quoted lower at the evening session of trade. The arrivals at the major physical market are reported to be slightly higher at around 28000-30000 bags today and consequently the prices went downwards during the later session of trade. Moreover, the late slid at the futures market has also underpinned the downtrend in the prices of guar at the physical markets. However, the traders are expecting a quick recovery in the prices in a couple of days. Under such situations, the prices of both the guar seed as well as guar gum are expected to move moderately downwards following a weak opening at the early hours of trade and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	23.12.05	22.12.05	Change
	Bikaner	1620	1630	-10
Guar Seed	Jodhpur-B line	1715	1730-1735	-20
	Jodhpur-M line	1690	1705	-15
	Nokha	1550	1570	-20
	Sriganganagar	1515	1525	-10
	Shiwani	1570	1585	-15
Guar Gum	Jodhpur	4500	4550	-50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	336.80	336.50	334.00	-2.80

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed moderate uptrend following a weak opening at the early hours of trade. However, the futures turned downward thereafter on increased selling pressure. The January future finished lower today as against yesterday.

WEATHER HIGHLIGHTS (23-12-05)

NORTH: Rain/snow likely at isolated places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain /thundershowers likely over Uttar Pradesh during next 24 hours. Weather will be mainly dry in 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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