

GUAR SEED and GUAR GUM

December 14, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Previous Weakness
- Guar Futures: Settled Down on Speculative Selling

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Moderately bearish, weak opening
MACD: Bearish, lying below signal line
Stochastic: Moderately bullish, positive crossover in oversold region
Overall: Moderately bearish

Market Outlook:

The guar seed futures are expected to trade downwards following a weak opening in the next day with possibility of an upward technical correction. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1632	1620	1664	1672
Feb.	1676	1668	1704	1711

Intraday Trade Recommendations:

Buy January Guar Seed at 1640 with **target** of 1655, then 1665. **Stop loss** at 1633.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Moderately bearish, weak opening
MACD: Bearish, lying below signal line
Stochastic: Moderately bullish, positive crossover in oversold region
Overall: Moderately bearish

Market Outlook:

The guar gum futures are likely to trade downwards following a weak opening in the next day with possibility of an upward technical correction. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4329	4304	4424	4447
Feb.	4438	4415	4508	4535

Intraday Trade Recommendations:

Buy January Guar Gum at 4365 with **target** of 4395, then 4415. **Stop loss** at 4350.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures tested fresh contract month lows on speculative selling.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move downwards following a weak opening in the next day with possibility of an upward technical correction.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a range bound bearish trade following a weak opening today. The futures mostly traded side-ways, but slid significantly in late action. The January future traded in a lower range of 1643.00-1674.00 today. At the spot markets 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 traded at a lower price of Rs 1585 per quintal, while at the Nokha market it was offered at a lower price of Rs 1520-1525 per quintal today. At the Sriganganagar market it was available at a lower price of Rs 1520 per quintal, while at the Shiwani market it was quoted lower at Rs 1540 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a range bound downward trade after a weak opening today. The futures slid significantly in late speculative selling pressure. The January future traded in a lower range of 4378.00-4456.00 today. At the spot markets guar gum was quoted lower at Rs 4400 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended yesterday's weakness today. The prices of both the guar seed as well as guar gum was quoted lower today as against yesterday. The arrivals at the major physical markets are reported to be around 30000-35000 bags during today's trade. The speculative-led selling pressure at the futures market has dampened the physical market sentiments. Under such situations, the prices of both the guar seed as well as guar gum are expected to witness further downtrend following a weak opening with possibility of an upward technical correction.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	14.12.05	13.12.05	Change
Guar Seed	Bikaner	1585	1600	-15
	Jodhpur-B line	1675	1690	-15
	Jodhpur-M line	1650	1670	-20
	Nokha	1520-1525	1530	-10
	Sriganganagar	1520	1530	-10
	Shiwani	1540	1560	-20
Guar Gum	Jodhpur	4400	4425	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	328.60	328.60	325.60	-3.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some range bound upward movement following a steady opening at the early hours of trade. However, the futures turned downwards on increased selling pressure. The January future settled much lower during today's trade.

WEATHER HIGHLIGHTS (14-12-05)

NORTH: 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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