

GUAR SEED and GUAR GUM

December 10, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Mostly Steady Today
- Guar Futures: Down; Later Months Tested Fresh Lows

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

The guar seed futures are expected to trade downwards following a weak opening in the next day. However, an upward technical correction is likely in the short-term. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	1613	1601	1650	1663
Jan.	1650	1639	1688	1700

Intraday Trade Recommendations:

Buy December Guar Seed at 1620 with **target** of 1635, then 1645. **Stop loss** at 1613.

Do not carry forward the position until the next day.

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



Chart Indicators:

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

Market Outlook:

The guar gum futures are likely to trade downwards following a weak opening in the next day. However, an upward technical correction is likely in the short-term. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Dec.	4319	4301	4382	4402
Jan.	4400	4382	4484	4500

Intraday Trade Recommendations:

Buy December Guar Gum at 4335 with **target** of 4360, then 4375. **Stop loss** at 4323.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures extended the bearish sentiment.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move downwards following a weak opening in the next day. However, an upward technical correction is expected in the short-term.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening today. The December future tested more than 2-month low on increased speculative selling, while the later months tested fresh contract month lows. The December future traded in a lower range of 1623.00-1701.00 during today's trade. At the spot markets guar seed was quoted steady at Rs 1675-1680 per quintal in Jodhpur market today. At the Bikaner market it was offered at a slightly lower price of Rs 1570 per quintal, while at the Nokha market it was available at an unchanged price of Rs 1530 per quintal today. At the Sriganganagar market it was traded at a lower price of Rs 1540-1545 per quintal, while at the Shiwani market it was quoted steady at Rs 1550 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish sentiment after a weak opening today. The December future tested 2-week lows on increased speculative selling. The December future traded in a lower range of 4354.00-4415.00 during today's trade. At the spot markets guar gum was quoted steady at Rs 4425 per quintal in Jodhpur market today.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a steady sentiment with a bearish undertone during today's trade. The prices of guar seed were quoted mostly steady to slightly lower today at the major physical markets. However, the prices of guar gum remained unchanged today. The arrivals at the major physical markets remained steady today and consequently the prices hovered range bound today. However, the weakness in the futures markets has underpinned the bearish undertone in the physical markets. Under such circumstances the prices of both the guar seed as well as guar gum are expected to move downwards following a weak opening. However, an upward correction in the prices are likely in the short-term period.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	10.12.05	09.12.05	Change
Guar Seed	Bikaner	1570	1575	-5
	Jodhpur-B line	1675-1680	1675	-
	Jodhpur-M line	1650	1650	-
	Nokha	1530	1530	-
Guar Gum	Sriganganagar	1540-1545	1555	-10
	Shiwani	1550	1550	-
	Jodhpur	4425	4400-4425	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	331.50	332.50	330.40	-1.10

Price Movements at Bikaner Vayda

The Bikaner vayda extended previous weakness following a firm opening today. The January future settled lower on increased speculative selling pressure throughout the day.

WEATHER HIGHLIGHTS (10-12-05)

NORTH: Isolated rain/snow likely over Jammu & Kashmir for next 24 hrs. 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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