

## GUAR SEED and GUAR GUM

December 20, 2005

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Down on Increased Speculative Selling

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Slightly bearish, moving downwards  
**Stochastic:** Moderately bearish, negative crossover in normal region  
**Overall:** Moderately bearish

#### Market Outlook:

The guar seed futures are expected to trade moderately downwards following a weak opening initially with possibility of some upwards movement later in the session. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1642	1633	1661	1671
Feb.	1685	1676	1706	1716

#### Intraday Trade Recommendations:

**Buy** January Guar Seed at 1640-1645 with **target** of 1660, then 1675. **Stop loss** at 1632.

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:** Slightly bearish, moving downwards  
**Stochastic:** Moderately bearish, negative crossover in normal region  
**Overall:** Moderately bearish

#### Market Outlook:

The guar gum futures are likely to trade moderately downwards following a weak opening initially with possibility of some upwards movement later in the session. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4351	4332	4424	4443
Feb.	4454	4433	4527	4553

#### Intraday Trade Recommendations:

**Buy** January Guar Gum at 4360-4365 with **target** of 4390, then 4410. **Stop loss** at 4345.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled much lower on speculative selling pressure.

Mainly dry weather prevailed over guar growing regions.

Prices are likely to move moderately downwards following a weak opening with possibility of some upwards movement later in the session.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish sentiment following a steady to weak opening today. The futures finished near to the day's low on increased selling pressure throughout the day. The January future traded in the range of 1643.00-1669.00 during today's trade. At the spot markets guar seed was quoted lower at Rs 1685-1690 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a steady price of Rs 1590-1600 per quintal, while at the Nokha market it was offered at a slightly lower price of Rs 1525-1530 per quintal today. At the Sriganganagar market it was available at a lower price of Rs 1500-1505 per quintal, while at the Shiwani market it was quoted steady at Rs 1540 per quintal during today's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish sentiment after a steady to weak opening today. The guar gum futures settled near to the day's low in final action. The January future traded in the range of 4372.00-4451.00 today. At the spot markets guar gum was quoted lower at Rs 4375-4400 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed mostly weak sentiment during today's trade. The prices of both the guar seed as well as guar gum were quoted lower today as against yesterday. The arrivals at the major physical markets are reported to be lower at around 26000-28000 bags per day during today's trade. Despite the decline in arrivals, the prices of guar at physical markets were quoted on an average lower in line with the futures market. The speculative selling pressure at the futures market and consequently the downfall in guar futures prices has underpinned the decline in prices of guar at the physical markets. Under such circumstances the prices of both the guar seed as well as guar gum are expected to move moderately downwards initially following a weak opening with possibility of some upwards movement later.

### Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	20.12.05	19.12.05	Change
Guar Seed	Bikaner	1590-1600	1595-1600	-
	Jodhpur-B line	1685-1690	1695	-10
	Jodhpur-M line	1660	1670	-10
	Nokha	1525-1530	1530-1535	-5
	Sriganganagar	1500-1505	1510	-10
	Shiwani	1540	1535-1540	-
Guar Gum	Jodhpur	4375-4400	4425	-50

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	328.60	326.80	325.00	-3.60

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a weak opening during today's trade. The January future finished much lower near to the day's low on increased selling pressure throughout the day.

### WEATHER HIGHLIGHTS (20-12-05)

**NORTH:** Rain/snow likely at a few places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated to scattered rain/thundershowers are likely over Punjab, Haryana (including Chandigarh & Delhi) and Uttar Pradesh.

**WEST:** Isolated rain/thundershowers likely over North Rajasthan. Mainly dry weather over the region.

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

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