

GUAR SEED and GUAR GUM

December 28, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Strong on Lower Arrivals
- Guar Futures: Settled Up; Broke Key Resistance

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Bullish, moving upwards in negative region
Stochastic: Moderately bullish, moving upwards in normal region
Overall: Moderately bullish

Market Outlook:

The guar seed futures are expected to trade upwards following a firm opening with possibility of a downward technical correction. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1720	1709	1762	1774
Feb.	1770	1758	1818	1829

Intraday Trade Recommendations:

Buy January Guar Seed at 1735 with **target** of 1750, then 1760. **Stop loss** at 1727.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Bullish, moving upwards in negative region
Stochastic: Moderately bullish, moving upwards in normal region
Overall: Moderately bullish

Market Outlook:

The guar gum futures are likely to trade upwards following a firm opening with possibility of a downward technical correction. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4581	4556	4685	4709
Feb.	4682	4656	4797	4824

Intraday Trade Recommendations:

Buy January Guar Gum at 4625 with **target** of 4665, then 4685. **Stop loss** at 4605.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures broke major resistances and settled near to the day's high on increased buying support.

Arrivals at the major markets reported at around 25000-27000 bags during today's trade.

Prices are likely to move upwards following a firm opening with possibility of some downward correction from the higher levels.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade following a firm opening today. The futures broke the major resistance on increased buying support and settled near to the day's high in final action. The January future traded in a higher range of 1701.00-1741.00 during today's trade. At the spot markets also guar seed was quoted higher at Rs 1750 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a much higher price of Rs 1660 per quintal, while at the Nokha market it was traded at a higher price of Rs 1585 per quintal today. At the Sriganganagar market it was available at a higher price of Rs 1560 per quintal, while at the Shiwani market it was quoted higher at Rs 1620 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a firm opening today. The futures broke key resistance on increased buying support and finished near to the day's high in final action. The January future traded in the range of 4540.00-4635.00 today. At the spot market also guar gum was quoted higher at Rs 4600 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a bullish sentiment during today's trade. The prices of both the guar seed as well as guar gum were quoted much higher today as against yesterday. The arrivals at the major physical markets are reported to be lower at a round 25000-27000 bags today and consequently the prices moved upwards during today's trade. Moreover, the spillover strength from the futures market has also supported the uptrend in guar prices at the physical markets. Under such circumstances the prices of both the guar seed as well as guar gum are expected to move upwards following a firm opening with possibility of some downward correction from the higher levels.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	28.12.05	27.12.05	Change
	Bikaner	1660	1630	+30
Guar Seed	Jodhpur-B line	1750	1725	+25
	Jodhpur-M line	1725	1700	+25
	Nokha	1585	1565	+20
	Sriganganagar	1560	1540	+20
	Shiwani	1620	1600	+20
Guar Gum	Jodhpur	4600	4525	+75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	336.00	337.00	342.00	+6.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bullish sentiment during today's trade following a firm opening. The January future finished much higher near to the day's high on increased buying support today.

WEATHER HIGHLIGHTS (28-12-05)

NORTH: Isolated rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

WEST: Mainly dry weather over the region.

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt Ltd