

GUAR SEED and GUAR GUM

December 19, 2005

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Stable Sentiment
- Guar Futures: Managed to Settle with Slight Gains

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to weak opening

MACD: Slightly bullish, started moving upwards

Stochastic: Moderately bullish, moving upwards in normal region

Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1650	1641	1678	1689
Feb.	1697	1687	1718	1727

Intraday Trade Recommendations:

Buy January Guar Seed at 1655 with **target** of 1670, then 1680. **Stop loss** at 1648.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to weak opening

MACD: Slightly bullish, started moving upwards

Stochastic: Moderately bullish, moving upwards in normal region

Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4416	4397	4481	4500
Feb.	4522	4502	4580	4600

Intraday Trade Recommendations:

Buy January Guar Gum at 4430 with **target** of 4460, then 4475. **Stop loss** at 4415.

Do not carry forward the position until the next day.

SALIENT POINTS OF THE DAY

Guar seed and gum futures managed to settle with marginal gains amidst range bound trade.

Mainly dry weather prevailed over guar growing regions.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some downward movement following a firm opening at the early hours of trade. However, the futures traded range bound upward thereafter on some buying support and finally settled with marginal gains. The January future traded in the range of 1652.00-1669.00 during today's trade. At the spot markets guar seed was quoted higher at Rs 1695 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available in the range of Rs 1595-1600 per quintal, while at the Nokha market it was traded at a slightly higher price of Rs 1530-1535 per quintal today. At the Sriganganagar market it was offered at a higher price of Rs 1510 per quintal, while at the Shiwani market it was quoted higher at Rs 1535-1540 per quintal during today's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some downwards movement after a firm opening at the early hours of trade. However, the futures traded range bound upward thereafter on some buying support and finished with some gains. The January future traded in the range of 4405.00-4451.00 today. At the spot markets guar gum was quoted steady at Rs 4425 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a steady to firm sentiment during today's trade. The prices of guar seed were quoted mostly higher today as against Saturday. However, the price of guar gum remained steady today. The arrivals at the major physical markets are reported to be steady at around 30000-35000 bags today and consequently the prices remained range bound for the last few days. The range bound trade at the futures market ahead of December contract maturity tomorrow has also supported the prices of guar at the physical markets to hover within a narrow range. Under such circumstances the prices of both the guar seed as well as guar gum are expected to move slightly downwards initially following a steady to weak opening and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	19.12.05	17.12.05	Change
Guar Seed	Bikaner	1595-1600	1585	+15
	Jodhpur-B line	1695	1685	+10
	Jodhpur-M line	1670	1660	+10
	Nokha	1530-1535	1525-1530	+5
	Sriganganagar	1510	1500-1505	+10
	Shiwani	1535-1540	1530	+10
Guar Gum	Jodhpur	4425	4425	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	327.90	328.20	328.60	+0.70

Price Movements at Bikaner Vayda

The Bikaner vayda traded moderately downwards after a firm opening at the early hours of trade. However, the futures moved range bound upwards thereafter on some buying support. The January future managed to settle with some gains during today's trade.

WEATHER HIGHLIGHTS (19-12-05)

NORTH: Rain/snow likely at a few places over of Jammu & Kashmir, Himachal Pradesh and Uttaranchal from 20th. Isolated to scattered rain/thundershower are also likely over Punjab & Haryana on 21st & 22nd. Mainly dry weather over rest of the region.

WEST: Isolated rain/thundershowers likely over North Rajasthan on 21st and 22nd. Mainly dry weather over the region.

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

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