

GUAR SEED and GUAR GUM

January 19, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Higher; Extended Previous Advances

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, steady to firm opening
MACD: Slightly bullish, started moving upwards
Stochastic: Bullish, moving upwards in normal region after positive crossover
Overall: Moderately bullish

Market Outlook:

The guar seed futures are expected to trade upwards following a steady to firm opening with possibility of some late downward movement. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1691	1684	1713	1720
Feb.	1734	1727	1758	1766

Intraday Trade Recommendations:

Buy February Guar Seed near 1740 with **target** of 1755, then 1765. **Stop loss** at 1732.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, steady to firms opening
MACD: Slightly bullish, started moving upwards
Stochastic: Moderately bullish, moving upwards in normal region after positive crossover
Overall: Moderately bullish

Market Outlook:

The guar gum futures are likely to trade upwards following a steady to firm opening with possibility of some late downward movement. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4352	4331	4431	4450
Feb.	4488	4470	4557	4574

Intraday Trade Recommendations:

Buy February Guar Gum near 4500 with **target** of 4530, then 4550. **Stop loss** at 4485.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished higher near to the day's high on moderate buying support.

Arrivals at the major markets reported to be lower at around 15000-17000 bags.

Prices are likely to move upwards following a steady to firm opening with possibility of some late downward movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade following a firm opening. The futures settled higher near to the day's high on moderate buying support. The January future traded in the range of 1687.00-1700.00, while the February future fluctuated in the range of 1727.00-1745.00. At the spot markets guar seed was quoted higher at Rs 1785 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market also it was traded at a much higher price of Rs 1680 per quintal, while at the Nokha market it was offered at a higher price of Rs 1600 per quintal. At the Sriganganagar market it was available higher at Rs 1560 per quintal, while at the Shiwani market also it was quoted higher at Rs 1625 per quintal during Wednesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a firm opening. The futures finished with moderate gains on some buying support at the lower levels. The January future traded in the range of 4320.00-4386.00, while the February future fluctuated in the range of 4463.00-4520.00. At the spot markets guar gum was quoted higher at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended previous advances further on Wednesday. The prices of guar seed as well as guar gum were quoted mostly higher in the physical markets. The arrivals at the major physical markets are reported to be lower at around 15000-17000 bags. With a declining arrival and higher demand from other neighbouring states, the prices of guar seed as well as guar gum moved upwards on increased buying at the lower price levels. Traders are expecting that the prices of guar seed as well as guar gum would move up further in the days ahead as the arrivals would gradually diminish.

Under such situations, the prices of guar seed as well as guar gum are expected to move upwards following a steady to firm opening with possibility of some late downward movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	18.01.06	17.01.06	Change
Guar Seed	Bikaner	1680	1660	+20
	Jodhpur-B line	1785	1760	+25
	Jodhpur-M line	1760	1735	+25
	Nokha	1600	1585	+15
	Sriganganagar	1560	1540	+20
Guar Gum	Shiwani	1625	1615	+10
	Jodhpur	4550	4500	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Jan.	331.00	332.00	333.00	+2.00
Mar.	349.50	350.50	350.70	+1.20

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed an upward trade following a firm opening. The January as well as March futures finished higher on moderate buying support at the lower levels.

WEATHER HIGHLIGHTS (18-01-06)

NORTH:

Rain /Snow is likely at many places over Jammu & Kashmir and Himachal Pradesh and at a few places in Uttaranchal, isolated rain/thundershowers also likely over Punjab, Haryana during next 24 hours. Weather will be mainly dry over the rest region.

WEST:

Weather will be mainly dry over the region.

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