

GUAR SEED and GUAR GUM

January 06, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Strength
- Guar Futures: Lower on Late Selling Interest

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bearish, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Bearish, moving downwards in normal region
Overall: Moderately bearish

Market Outlook:

The guar seed futures are expected to trade moderately 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.	1690	1680	1720	1731
Feb.	1738	1727	1764	1776

Intraday Trade Recommendations:

Buy January Guar Seed near 1695 with **target** of 1710, then 1720. **Stop loss** at 1687.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bearish, steady to weak opening
MACD: Slightly bearish, negative crossover
Stochastic: Bearish, moving downwards, %K-line entered oversold region
Overall: Moderately bearish

Market Outlook:

The guar gum futures are likely to trade moderately 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.	4474	4445	4539	4568
Feb.	4583	4557	4660	4686

Intraday Trade Recommendations:

Buy January Guar Gum near 4485 with **target** of 4515, then 4530. **Stop loss** at 4470.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower on late selling pressure after a side-ways trade.

Arrivals at the major markets reported to be steady at around 21000-23000 bags.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX extended previous advances following a steady opening initially. The futures traded side-ways for the maximum time, but finally settled with losses on late selling pressure. The January future traded in the range of 1700.00-1719.00. At the spot markets guar seed was quoted slightly higher at Rs 1765 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded steady at Rs 1660 per quintal, while at the Nokha market it was offered at a higher price of Rs 1590 per quintal. At the Sriganganagar market it was available at an unchanged price of Rs 1560 per quintal, while at the Shiwani market it was quoted steady at Rs 1630 per quintal.

GUAR GUM:

The guar gum futures at the NCDEX extended previous advances after slightly weak opening at the early hours of trade. The futures traded mostly side-ways thereafter, but finally finished lower on late selling interest. The January future traded in the range of 4504.00-4550.00. At the spot markets guar gum was quoted steady at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a steady sentiment. The prices of both the guar seed as well as guar gum was quoted much higher at the morning session of trade as sellers were asking for a higher price. However, the prices were quoted somewhat lower at the evening session of trade. The arrivals at the major physical markets were reported to be steady at around 21000-23000 bags. Moreover, the late selling pressure at the futures market has also discouraged the sellers at the physical markets to ask a lower price. Under such situations, the prices of guar seed as well as guar gum are expected to move moderately downwards following a steady to weak opening initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	05.01.06	04.01.06	Change
	Bikaner	1660	1660	-
Guar Seed	Jodhpur-B line	1765	1760	+5
	Jodhpur-M line	1740	1735	+5
	Nokha	1590	1580	+10
	Sriganganagar	1560	1560	-
	Shiwani	1630	1630	-
Guar Gum	Jodhpur	4550	4550	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	336.50	337.10	336.30	-0.20
Mar.	352.50	352.40	352.50	-

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward trade following a firm opening. However, the futures turned downwards on late selling pressure. The January future finished lower, while the March future managed to settle unchanged.

WEATHER HIGHLIGHTS (05-01-06)

NORTH:

Isolated light rainfall/snowfall is likely over higher reaches of Jammu & Kashmir. Weather will be mainly dry over the rest region.

WEST:

Weather will be mainly dry over the region.

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