

## GUAR SEED and GUAR GUM

January 12, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Settled Down on Late Selling Pressure

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Bearish, negative crossover occurred  
**Stochastic:** Moderately 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.	1684	1678	1702	1708
Feb.	1717	1708	1740	1748

#### Intraday Trade Recommendations:

**Sell** January Guar Seed below 1700 with **target** of 1685, then 1680. **Stop loss** at 1708.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Bearish, negative crossover occurred  
**Stochastic:** Moderately bearish, %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.	4387	4367	4447	4466
Feb.	4517	4499	4561	4579

#### Intraday Trade Recommendations:

**Sell** January Guar Gum below 4420 with **target** of 4390, then 4380. **Stop loss** at 4435.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower on late selling pressure.

Arrivals at the major markets reported to be steady at around 19000-20000 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 witnessed a bearish trade following a weak opening. The futures traded mostly range bound for the maximum time but finally settled down on late selling pressure. The January future traded in the range of 1695.00-1708.00. At the spot markets guar seed was quoted lower at Rs 1770 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1660 per quintal, while at the Nokha market it was available at a steady price of Rs 1590 per quintal. At the Sriganganagar market it was trade lower at Rs 1575 per quintal, while at the Shiwani market it was quoted unchanged at Rs 1630 per quintal.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a weak opening today. The futures traded range bound for the maximum time, but finished down near to the day's low on late selling pressure. The January future traded in the range of 4418.00-4474.00. At the spot markets guar gum was quoted lower at Rs 4500-4525 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a bearish sentiment as against Tuesday. The prices of guar seed as well as guar gum were quoted mostly steady at the morning session of trade. However, the prices declined at the evening session of trade on a steady arrival. The arrivals at the major physical market are reported to be steady at around 19000-20000 bags. The late selling pressure at the futures market and consequently the lower futures prices has underpinned the downtrend of guar prices at the physical markets also. 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	11.01.06	10.01.06	Change
Guar Seed	Bikaner	1660	1670	-10
	Jodhpur-B line	1770	1775	-5
	Jodhpur-M line	1745	1750	-5
	Nokha	1590	1590	-
	Sriganganagar	1575	1580	-5
Guar Gum	Shiwani	1630	1630	-
	Jodhpur	4500-4525	4550	-50

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	337.00	336.80	337.00	-
Mar.	353.50	353.80	353.50	-

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a range bound trade following a weak opening. The futures traded side-ways for most of the session. The January future as well as March future finished unchanged in final action.

### WEATHER HIGHLIGHTS (11-01-06)

#### NORTH:

Weather will be mainly dry over the region.

#### WEST:

Weather will be mainly dry over the region.

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