

GUAR SEED and GUAR GUM

January 13, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Weak Amidst Steady Arrival
- Guar Futures: Lower after Range Bound Trade

TECHNICAL ANALYSIS

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

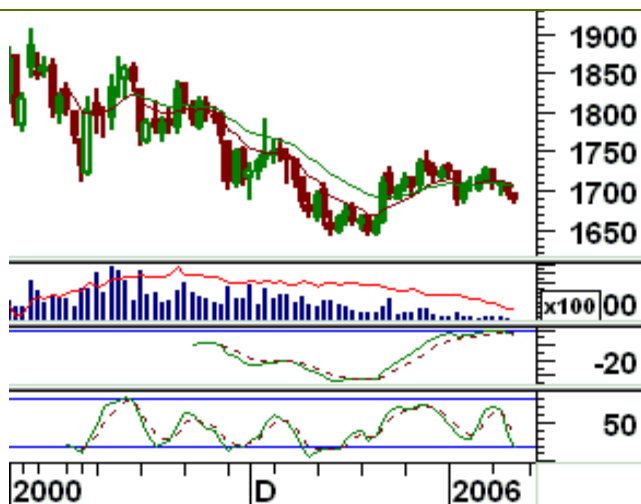


Chart Indicators:

Candlesticks: Slightly bearish, steady to weak opening
MACD: Bearish, moving downwards
Stochastic: Moderately bearish, %K-line entered oversold 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	1707	1714
Feb.	1717	1708	1744	1752

Intraday Trade Recommendations:

Buy January Guar Seed near 1685 with **target** of 1700, then 1705. **Stop loss** at 1678.
Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, weak opening
MACD: Bearish, moving downwards
Stochastic: Moderately bearish, moving downwards oversold region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4350	4330	4400	4420
Feb.	4472	4454	4515	4533

Intraday Trade Recommendations:

It is better to stay away from the market.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled down in late action after a range bound trade.

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, but finally settled with losses on increased selling pressure. The January future traded in the range of 1685.00-1697.00. At the spot markets guar seed was quoted lower at Rs 1765 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at an unchanged price of Rs 1660 per quintal, while at the Nokha market it was offered at a lower price of Rs 1580 per quintal. At the Sriganganagar market it was available at a lower price of Rs 1570 per quintal, while at the Shiwani market it was quoted lower at Rs 1625 per quintal.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a firm opening. The futures traded mostly range bound, but finished lower in late selling pressure. The January future traded in the range of 4353.00-4429.00. At the spot markets guar gum was quoted lower at Rs 4450-4475 per quintal in Jodhpur market at the evening session of trade. Buying was active at the lower price levels at the physical markets.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound bearish trade as against Wednesday. The prices of both the guar seed as well as guar gum were quoted mostly lower. The arrivals at the major physical markets are reported to be steady at around 19000-20000 bags. The slight downtrend in prices of guar at the physical markets was attributed to steady arrivals. The range bound bearish trade at the futures market has also pressurised the prices of guar at the physical markets. However, increased buying of guar gum was reported at the lower price levels. The continuous downtrend in the guar gum future prices are a result of traders not willing to take delivery, with the NCDEX having a good stock of guar gum at 27707 MT till 7th January, 2006.

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	12.01.06	11.01.06	Change
	Bikaner	1660	1660	-
Guar Seed	Jodhpur-B line	1765	1770	-5
	Jodhpur-M line	1740	1745	-5
	Nokha	1580	1590	-10
	Sriganganagar	1570	1575	-5
	Shiwani	1625	1630	-5
Guar Gum	Jodhpur	4450-4475	4500-4525	-50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	337.00	333.00	332.00	-5.00
Mar.	353.50	350.00	347.90	-5.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish trade after the futures opened at a lower gap. The gap was filled thereafter on some buying support and the futures tested day's high. However, increased selling pressure at the higher levels pressurised the futures and the futures turned southwards again. The January as well as the March future finished down near to the day's low in final action.

WEATHER HIGHLIGHTS (12-01-06)

NORTH:

Isolated to scattered rain /snow is likely over Jammu & Kashmir and Himachal Pradesh from 14th. Weather will be mainly dry over the rest region.

WEST:

Weather will be mainly dry over the region.

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