

GUAR SEED and GUAR GUM

January 09, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Extended Previous Advances
- Guar Futures: Settled Up Amidst Side-ways Trade

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Moderately bullish, moving upwards
Stochastic: Bullish, positive crossover occurred
Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1710	1701	1742	1756
Feb.	1759	1749	1790	1800

Intraday Trade Recommendations:

Buy January Guar Seed near 1720 with **target** of 1735, then 1745. **Stop loss** at 1712.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Slightly bullish, positive crossover
Stochastic: Bullish, positive crossover occurred
Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4523	4501	4600	4625
Feb.	4644	4618	4717	4743

Intraday Trade Recommendations:

Buy January Guar Gum near 4540 with **target** of 4580, then 4600. **Stop loss** at 4520.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher amidst a side-ways trade.

Arrivals at the major markets reported to be steady at around 20000-22000 bags.

Prices are likely to move upwards following a firm opening with possibility of some downward movement later in the session.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a moderately upward trade following a slightly lower opening. The futures mostly traded range bound at a higher side on some buying support. The January future traded in the range of 1715.00-1731.00. At the spot markets also guar seed was quoted higher at Rs 1790 per quintal in Jodhpur market. At the Bikaner market it was offered at a much higher price of Rs 1690 per quintal, while at the Nokha market it was available at a higher price of Rs 1600 per quintal. At the Sriganganagar market it was traded at an unchanged price of Rs 1585 per quintal, while at the Shiwani market it was quoted steady at Rs 1640 per quintal during Saturday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a firm opening. The futures traded mostly side-ways at the higher side on moderate buying support. The January future traded in the range of 4518.00-4567.00. At the spot markets guar gum was quoted higher at Rs 4575 per quintal in Jodhpur market.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended Friday's advances to finish this week's trade with moderate gains. The prices of both the guar seed as well as guar gum was quoted mostly steady to higher. The arrivals at the major physical markets are reported to be steady at around 20000-22000 bags. The moderate uptrend at the futures market has also supported the physical market sentiments. The traders are expecting the prices of guar to move up further in the coming days. Under such situations, the prices of guar seed as well as guar gum are expected to move upwards following a firm opening with possibility of some downward movement later in the session.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	07.01.06	06.01.06	Change
	Bikaner	1690	1665	+25
Guar Seed	Jodhpur-B line	1790	1780	+10
	Jodhpur-M line	1765	1755	+10
	Nokha	1600	1590	+10
	Sriganganagar	1585	1585	-
	Shiwani	1640	1640	-
Guar Gum	Jodhpur	4575	4550-4575	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	338.50	340.00	340.00	+1.50
Mar.	355.50	357.00	357.50	+2.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a moderately upward trade following a firm opening. The futures traded mostly Rangebound at the higher side on some buying support. The January future as well as March future settled higher in final action.

WEATHER HIGHLIGHTS (07-01-06)

NORTH:

Isolated rain/snow 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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