

GUAR SEED and GUAR GUM

January 10, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Weak Amidst Steady Arrival
- Guar Futures: Down on Increased Selling Pressure

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Slightly bearish, started moving downward
Stochastic: Moderately bullish, moving upwards
Overall: Moderately bearish

Market Outlook:

The guar seed futures are expected to trade moderately downwards following a steady to weak opening initially and range bound upwards thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1690	1679	1715	1726
Feb.	1736	1725	1763	1773

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: Bearish, firm opening
MACD: Slightly bearish, negative crossover
Stochastic: Moderately bullish, moving upwards
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4470	4447	4531	4554
Feb.	4581	4557	4644	4672

Intraday Trade Recommendations:

Buy January Guar Gum near 4480 with **target** of 4520, then 4540. **Stop loss** at 4460.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower near to the day's low on increased selling pressure.

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

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a slight upward trade following a weak opening initially. However, the futures traded downward thereafter on increased selling pressure. The January future traded in the range of 1704.00-1728.00. At the spot markets guar seed was quoted lower at Rs 1775 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a lower price of Rs 1670 per quintal, while at the Nokha market it was offered at a lower price of Rs 1590 per quintal. At the Sriganganagar market it was traded at a lower price of Rs 1580 per quintal, while at the Shiwani market it was quoted lower at Rs 1630 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed slight upward trade after a firm opening at the early hours of trade. However, the futures traded downwards thereafter on increased selling pressure. The January future traded in the range of 4492.00-4571.00. At the spot markets also guar gum was quoted lower at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a bearish trade with the start of this week. The prices of both the guar seed as well as guar gum were quoted on an average steady to higher during the morning session of trade, but eventually the prices moved southwards to finish the day with losses. The arrivals at the major physical markets are reported to be steady at around 20000-22000 bags. The increased selling pressure at the futures market and consequently lower futures prices has underpinned the downtrend in guar prices at the physical markets. However, the traders are expecting the prices of guar to recover faster as sellers would be away from the market at the lower price levels. 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 range bound upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	09.01.06	07.01.06	Change
	Bikaner	1670	1690	-20
Guar Seed	Jodhpur-B line	1775	1790	-15
	Jodhpur-M line	1750	1765	-15
	Nokha	1590	1600	-10
	Sriganganagar	1580	1585	-5
	Shiwani	1630	1640	-10
Guar Gum	Jodhpur	4550	4575	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	340.00	340.80	337.00	-3.00
Mar.	357.50	358.00	353.50	-4.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a slight upward trade following a firm opening. However, the futures turned downward thereafter on increased selling interest. The January future as well as March future settled lower near to the day's low in final action.

WEATHER HIGHLIGHTS (09-01-06)

NORTH:

Isolated rain/snow likely over higher reaches of Jammu & Kashmir, which is likely to increase on 12th & 13th and extend in to Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

WEST:

Weather will be mainly dry over the region.

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