

GUAR SEED and GUAR GUM

January 25, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Failed to Extend Advances
- Guar Futures: Settled Down on Technical Correction

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards in positive region
Stochastic: Bearish, %K-line started moving downwards in overbought 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
Feb.	1751	1739	1778	1792
March	1798	1784	1828	1843

Intraday Trade Recommendations:

Buy February Guar Seed near 1757 with **target** of 1775, then 1785. **Stop loss** at 1748.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards in negative region
Stochastic: Bearish, %K-line started moving downwards and entered normal 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
Feb.	4551	4524	4617	4644
Mar.	4660	4632	4732	4765

Intraday Trade Recommendations:

Buy February Guar Gum near 4560 with **target** of 4590, then 4600. **Stop loss** at 4545.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

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

Arrivals at the major markets reported to be steady at around 15000-16000 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 downward trade following a steady opening. Increased selling pressure at the higher levels pressurised the futures and the futures settled down near to the day's low in final action. The February future traded in the range of 1761.00-1789.00. At the spot markets guar seed was quoted lower at Rs 1810 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered lower at Rs 1700 per quintal, while at the Nokha market it was available at a lower price of Rs 1640 per quintal. At the Sriganganagar market it was traded at an unchanged price of Rs 1600 per quintal, while at the Shiwani market it was quoted lower at Rs 1670 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a weak opening. The futures finished down near to the day's low in final action on increased selling pressure at the higher levels. The February future traded in the range of 4575.00-4650.00. At the spot markets guar gum was quoted lower at Rs 4600 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets failed to extend Monday's advances further. The prices of both the guar seed as well as guar gum were quoted on an average lower as against Monday. The arrivals at the major physical markets are reported to be steady at around 15000-16000 bags during Tuesday's trade. With a steady arrival, the buyers were away from the market at the higher level and consequently the prices of guar were quoted mostly lower. Moreover, the spillover weakness from the futures market has also dampened the physical market sentiments. Amidst such circumstances, 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	24.01.06	23.01.06	Change
	Bikaner	1700	1710	-10
Guar Seed	Jodhpur-B line	1810	1820	-10
	Jodhpur-M line	1785	1795	-10
	Nokha	1640	1660	-20
	Sriganganagar	1600	1600	-
	Shiwani	1670	1680	-10
Guar Gum	Jodhpur	4600	4650	-50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	360.50	360.00	357.30	-3.20

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade flowing a weak opening. The March future wiped away Monday's gain during Tuesday's trade. The March future settled lower near to the day's low in final action.

WEATHER HIGHLIGHTS (24-01-06)

NORTH Region:

Weather will be mainly dry over the region.

WEST Region:

Weather will be mainly dry over the region.

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