

## GUAR SEED and GUAR GUM

January 30, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Bearish on Saturday
- Guar Futures: Settled Down on Late Selling Pressure

### 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, 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
Feb.	1744	1732	1766	1778
March	1784	1771	1812	1825

#### Intraday Trade Recommendations:

**Buy** February Guar Seed below 1750 with **target** of 1765, then 1775. **Stop loss** at 1742.

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, moving downwards in 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.	4502	4475	4581	4603
Mar.	4620	4590	4702	4730

#### Intraday Trade Recommendations:

**Buy** February Guar Gum near 4520 with **target** of 4550, then 4565. **Stop loss** at 4505.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower near to the day's low in final action.

Arrivals at the major markets reported to be steady at around 13000-15000 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 an upward trade following a firm opening at the early hours of trade. However, increased selling pressure at the higher price levels pressurised the futures thereafter. The futures settled down near to the day's low in final action. The February future traded in the range of 1751.00-1780.00. At the spot markets guar seed was quoted lower at Rs 1810 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was available at a lower price of Rs 1690 per quintal, while at the Nokha market it was traded at a lower price of Rs 1645 per quintal. At the Sriganganagar market it was offered at a steady price of Rs 1610 per quintal, while at the Shiwani market it was quoted lower at Rs 1660 per quintal during Saturday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a firm opening at the early hours of trade. However, the futures finished lower near to the day's low on increased selling pressure at the higher levels. The February future traded in the range of 4536.00-4630.00. At the spot markets guar gum was quoted lower at Rs 4575-4600 per quintal in Jodhpur market during Saturday's trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a firm sentiment during the early hours of trade. The prices of both the guar seed as well as guar gum were quoted mostly lower as against Friday at the evening session of trade. The arrivals at the major physical markets are reported to be steady at around 13000-15000 bags during Friday's trade. With a steady arrival, buyers were away from the market at the higher price levels. Moreover, the late selling pressure at the futures market and consequently the lower futures prices has pressurised the guar prices at the physical markets. Demand from the millers and the stockists are higher, but activity was limited at the higher prices. 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	28.01.06	27.01.06	Change
	Bikaner	1690	1700	-10
Guar Seed	Jodhpur-B line	1810	1825	-15
	Jodhpur-M line	1785	1800	-15
	Nokha	1645	1655	-10
	Sriganganagar	1610	1610	-
	Shiwani	1660	1670	-10
Guar Gum	Jodhpur	4575-4600	4625	-50

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	357.90	360.00	354.90	-3.00

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a firm opening and tested day's high at the early hours of trade. However, the immediately ran into selling pressure and turned southwards. The March future settled lower near to the day's low in final action.

### WEATHER HIGHLIGHTS (28-01-06)

#### NORTH Region:

Rain/snow is likely at many places over Jammu & Kashmir and Himachal Pradesh; at a few Places over Uttaranchal. Isolated rain/thundershowers also likely over Punjab and north Rajasthan. Weather will be mainly dry over the rest region.

#### WEST Region:

Weather will be mainly dry over the region.

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