

GUAR SEED and GUAR GUM

January 20, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Weak Amidst Steady Arrival
- Guar Futures: Slightly 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: Neutral, moving flat in negative region
Stochastic: Bullish, moving upwards in normal region
Overall: Moderately bullish

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.	1678	1672	1706	1713
Feb.	1724	1717	1743	1750

Intraday Trade Recommendations:

Buy February Guar Seed near 1725 with **target** of 1740, then 1750. **Stop loss** at 1718.

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: Neutral, moving flat in negative region
Stochastic: Bullish, moving upwards in normal region
Overall: Moderately bullish

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
Jan.	4331	4307	4400	4422
Feb.	4459	4443	4508	4525

Intraday Trade Recommendations:

Buy February Guar Gum near 4465 with **target** of 4505, then 4515. **Stop loss** at 4450.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled down near to the day's low on late selling pressure.

Arrivals at the major markets reported to be steady at around 15000-17000 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 initially. However, increased selling interest at the higher levels pressurised the futures thereafter and the futures settled down near to the day's low in final action. The January future traded in the range of 1685.00-1704.00, while the February future fluctuated in the range of 1730.00-1750.00. 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 offered at a lower price of Rs 1670 per quintal, while at the Nokha market it was available steady at Rs 1600 per quintal. At the Sriganganagar market it was traded at an unchanged price of Rs 1560 per quintal, while at the Shiwani market it was quoted much higher at 1650 per quintal amidst poor arrival during Thursday'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 turned downwards on increased selling pressure at the higher levels and finished down near to the day's low in final action. The January future traded in the range of 4357.00-4397.00, while the February future fluctuated in the range of 4480.00-4531.00. At the spot markets guar gum was quoted lower at Rs 4525 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed some upward movement at the morning session of trade. However, the prices of both the guar seed as well as guar gum were quoted on an average lower in the physical markets at the evening session of trade. The arrivals at the major physical markets are reported to be steady at around 15000-17000 bags during Thursday's trade. With a steady arrival and late selling pressure at the futures market, the prices of guar seed as well as guar gum at the physical markets turned southwards. However, the prices of guar at the physical markets are expected to recover back soon. The demand from the mills remained at the higher side, but with a lower price quote.

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	19.01.06	18.01.06	Change
	Bikaner	1670	1680	-10
Guar Seed	Jodhpur-B line	1775	1785	-10
	Jodhpur-M line	1750	1760	-10
	Nokha	1600	1600	-
	Sriganganagar	1560	1560	-
	Shiwani	1650	1625	+25
Guar Gum	Jodhpur	4525	4550	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Jan.	333.00	334.00	334.00	+1.00
Mar.	350.70	351.00	349.00	-1.70

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward movement initially following a firm opening. However, increased selling pressure at the higher levels has pressurised the futures thereafter. The January future managed to settle higher, while the March future finished down during Thursday's trade.

WEATHER HIGHLIGHTS (19-01-06)

NORTH:

Isolated rain /Snow is likely over Jammu & Kashmir, 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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