

GUAR SEED and GUAR GUM

January 18, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Settled Higher on Buying Support

TECHNICAL ANALYSIS

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

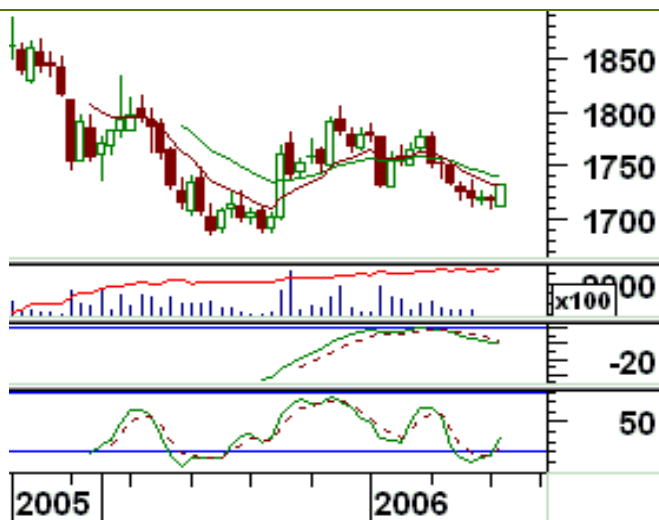


Chart Indicators:

Candlesticks: Bullish, steady to firm opening
MACD: Slightly bullish, started moving upwards
Stochastic: Bullish, moving upwards in normal region after positive crossover
Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1683	1672	1705	1714
Feb.	1723	1710	1749	1762

Intraday Trade Recommendations:

Buy February Guar Seed near 1730 with **target** of 1745, then 1755. **Stop loss** at 1722.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, steady to firms opening
MACD: Bearish, moving downwards
Stochastic: Moderately bullish, %K-line entered normal region after positive crossover
Overall: Moderately bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4303	4277	4380	4403
Feb.	4436	4409	4520	4550

Intraday Trade Recommendations:

Buy February Guar Gum near 4460 with **target** of 4490, then 4500. **Stop loss** at 4445.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled moderately higher on some buying support.

Arrivals at the major markets reported to be steady at around 17000-19000 bags.

Prices are likely to move moderately upwards following a steady to firm opening with possibility of some initial downward movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a moderately upward trade following a weak opening. The futures settled near to the day's high on some buying support at the lower price levels. The January future traded in the range of 1676.00-1693.00, while the February future fluctuated in the range of 1711.00-1733.00. At the spot markets guar seed was quoted steady at Rs 1760 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a higher price of Rs 1660 per quintal, while at the Nokha market it was traded higher at Rs 1585 per quintal. At the Sriganganagar market it was available at an unchanged price of Rs 1540 per quintal, while at the Shiwani market also it was quoted steady at Rs 1615 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a moderately upward trade after a weak opening. The futures finished higher near to the day's high on some buying support at the lower price levels. The January future traded in the range of 4272.00-4331.00, while the February future fluctuated in the range of 4419.00-4476.00. At the spot markets guar gum was quoted higher at Rs 4500 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a firm sentiment as against Monday. The prices of guar seed as well as guar gum were quoted on an average steady to higher in physical markets. The arrivals at the major physical markets are reported to be steady at around 17000-19000 bags. Despite a steady arrival, the prices of guar at the physical markets moved marginally upwards on some buying interest at the lower price levels. Moreover, the spillover strength from the futures market has also supported the physical market sentiment. After continuous downtrend in guar futures particularly in guar gum futures for the last few days, the market has shown some sign of recovery during Tuesday's trade. However, the future price of January guar gum contract is ruling much lower than the guar gum physical market prices. Traders are expecting that the prices of guar seed as well as guar gum would move up further in the days ahead.

Under such situations, the prices of guar seed as well as guar gum are expected to move moderately upwards following a steady to firm opening with possibility of some initial downward movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	17.01.06	16.01.06	Change
	Bikaner	1660	1650	+10
Guar Seed	Jodhpur-B line	1760	1760	-
	Jodhpur-M line	1735	1735	-
	Nokha	1585	1570	+15
	Sriganganagar	1540	1540	-
	Shiwani	1615	1615	-
Guar Gum	Jodhpur	4500	4450	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Jan.	330.60	330.70	331.50	+0.90
Mar.	345.90	346.00	349.50	+3.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a moderately upward trade following a firm opening. The January as well as March futures settled with moderate gains on marginal buying support at the lower levels.

WEATHER HIGHLIGHTS (17-01-06)

NORTH:

Rain /Snow is likely at most places over Jammu & Kashmir and Himachal Pradesh and at many places over Uttaranchal during next 24 hours and at a few places thereafter. Rain/thundershowers also likely at many places over Punjab and at a few places over Haryana (including Chandigarh) and isolated over Delhi and West Uttar Pradesh during next 24-48 hours. Weather will be mainly dry over the rest region.

WEST:

Rain/thundershowers likely at a few places over north Rajasthan during next 24 hours. Weather will be mainly dry over the rest region.

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