

GUAR SEED and GUAR GUM

January 11, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Steady Amidst Lower Arrival
- Guar Futures: Settled Down Amidst Side-ways Trade

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening
MACD: Slightly bearish, started moving downward
Stochastic: Slightly bearish, moving downwards
Overall: Slightly bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1700	1690	1727	1736
Feb.	1741	1732	1770	1780

Intraday Trade Recommendations:

Buy January Guar Seed near 1705 with **target** of 1720, then 1730. **Stop loss** at 1698.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bearish, steady to firm opening
MACD: Slightly bearish, negative crossover
Stochastic: Bearish, negative crossover occurred
Overall: Slightly bearish

Market Outlook:

The guar gum futures are likely to trade upwards following a steady to firm opening with possibility of some downward movement later. 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 4470 with **target** of 4510, then 4530. **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 marginally lower on moderate selling pressure.

Arrivals at the major markets reported to be slightly lower at around 19000-20000 bags.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some downward trade following a firm opening initially. However, the futures traded range bound upward thereafter on increased buying support. The later month guar seed futures finished with losses, while the January future hold marginal gain in final action. The January future traded in the range of 1695.00-1714.00. At the spot markets guar seed was quoted steady at Rs 1775 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at an unchanged price of Rs 1670 per quintal, while at the Nokha market it was offered steady at Rs 1590 per quintal. At the Sriganganagar market it was available at an unchanged price of Rs 1580 per quintal, while at the Shiwani market also it was quoted steady at Rs 1630 per quintal.

GUAR GUM:

The guar gum futures at the NCDEX witnessed slight downward trade after a firm opening at the early hours of trade. The futures traded range bound upward thereafter on increased buying support, but finished with losses in final selling pressure. The January future traded in the range of 4460.00-4509.00. At the spot markets guar gum was quoted steady at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained mostly steady as against Monday. The prices of guar seed as well as guar gum were quoted unchanged at the evening session. The arrivals at the major physical markets are reported to be slightly lower at around 19000-20000 bags. Moreover, some late uptrend at the futures market has also supported the physical market sentiments. The prices of guar seed as well as guar gum were quoted lower at the morning session of trade, but eventually quoted higher than the morning session as sellers were away from the market at the lower levels. Under such situations, the prices of guar seed as well as guar gum are expected to move upwards following a steady to firm opening with possibility of some downwards movement later in the session.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	10.01.06	09.01.06	Change
	Bikaner	1670	1670	-
Guar Seed	Jodhpur-B line	1775	1775	-
	Jodhpur-M line	1750	1750	-
	Nokha	1590	1590	-
	Sriganganagar	1580	1580	-
	Shiwani	1630	1630	-
Guar Gum	Jodhpur	4550	4550	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	337.00	336.80	337.00	-
Mar.	353.50	353.80	353.50	-

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a slight upward trade following a firm opening at the early hours of trade. The futures turned downward thereafter on increased selling interest. However, the January future as well as March future settled unchanged in final action.

WEATHER HIGHLIGHTS (10-01-06)

NORTH:

Isolated rain/snow likely over higher reaches of Jammu & Kashmir. Weather will be mainly dry over the rest region.

WEST:

Weather will be mainly dry over the region.

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