

GUAR SEED and GUAR GUM

January 03, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Firm on Lower Arrivals
- Guar Futures: Settled Down on Selling Interest

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards
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
Jan.	1707	1695	1741	1751
Feb.	1761	1751	1795	1806

Intraday Trade Recommendations:

Buy January Guar Seed near 1710 with **target** of 1725, then 1735. **Stop loss** at 1702.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards
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
Jan.	4566	4540	4640	4664
Feb.	4670	4646	4745	4771

Intraday Trade Recommendations:

Buy January Guar Gum near 4580 with **target** of 4610, then 4625. **Stop loss** at 4565.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled moderately lower on increased selling pressure.

Arrivals at the major markets reported to be lower at around 23000-25000 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 range bound upward trade following a firm opening initially. However, the futures traded thereafter at the lower side on increased selling pressure at the higher levels. The January future traded in the range of 1718.00-1736.00. At the spot market guar seed was quoted higher 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 1670 per quintal, while at the Nokha market it was traded at Rs 1590 per quintal. At the Sriganganagar market it was available at a higher price of Rs 1575 per quintal, while at the Shiwani market it was quoted higher at Rs 1635 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some upward movement after a weak opening initially. However, the futures turned downward thereafter on increased selling interest. The January future traded in the range of 4595.00-4646.00. At the spot markets guar gum was quoted steady at Rs 4600 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a firm sentiment during Monday's trade. The prices of guar seed were quoted higher, while the prices of guar gum remained steady. The arrivals at the major physical markets are reported to be lower at around 23000-25000 bags and consequently the prices of guar went upwards. The range bound trade at the futures market has supported the physical markets to maintain its strength. 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	02.01.06	31.12.05	Change
	Bikaner	1670	1660	+10
Guar Seed	Jodhpur-B line	1760	1735	+25
	Jodhpur-M line	1735	1710	+25
	Nokha	1590	1580	+10
	Sriganganagar	1575	1550	+25
	Shiwani	1635	1630	+5
Guar Gum	Jodhpur	4600	4600-4625	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	340.80	341.90	340.50	-0.30
Mar.	-	359.1	356.7	-

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a higher opening. The January future settled slightly lower on increased selling interest. The newly opened March future closed at the lower side.

WEATHER HIGHLIGHTS (02-01-06)

NORTH: Fairly widespread rainfall/snowfall is likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers are likely at a few places over of Punjab, Haryana (Chandigarh & Delhi) and isolated over West Uttar Pradesh for next 2 days, which will decrease from 4th January onwards. Weather will be mainly dry over East Uttar Pradesh.

WEST: Scattered rain/thundershowers are likely over north Rajasthan and isolated over rest Rajasthan. Weather would be mainly dry over rest of the region.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd