

GUAR SEED and GUAR GUM

January 16, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Range Bound Trade
- Guar Futures: Marginally Higher Amidst Thin Trading

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Moderately bullish, %K-line started moving upwards in oversold region
Overall: Slightly bullish

Market Outlook:

The guar seed futures are expected to trade slightly downwards initially following a steady to firm opening and moderately upward thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1674	1663	1702	1713
Feb.	1711	1703	1736	1745

Intraday Trade Recommendations:

Buy February Guar Seed near 1720 with **target** of 1735, then 1740. **Stop loss** at 1712.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Moderately bullish, %K-line started moving upwards in oversold region
Overall: Slightly bullish

Market Outlook:

The guar gum futures are likely to trade slightly downwards initially following a steady to firm opening and moderately upward thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4287	4266	4331	4355
Feb.	4428	4410	4501	4519

Intraday Trade Recommendations:

Buy February Guar Gum near 4440 with **target** of 4470, then 4490. **Stop loss** at 4425.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled mixed in a range bound trade.

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

Prices are likely to move slightly downwards initially following a steady to firm opening and moderately upward thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some downward movement following a firm opening. However, the futures traded mostly side-ways and settled with marginal gains. The January future traded in the range of 1676.00-1688.00, while the February future fluctuated in the range of 1713.00-1726.00. At the spot markets guar seed was quoted steady at Rs 1760 per quintal during Saturday's trade. At the Bikaner market it was offered at an unchanged price of Rs 1650 per quintal, while at the Nokha market it was traded at a lower price of Rs 1565 per quintal. At the Sriganganagar market it was available at a much lower price of Rs 1540 per quintal, while at the Shiwani market it was quoted lower at Rs 1605 per quintal during Saturday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish sentiment after a firm opening. The futures traded mostly range bound and finished with losses. The January future settled with maximum loss, while the far month futures managed to hold marginal gains. The January future traded in the range of 4290.00-4345.00, while the February future fluctuated in the range of 4405.00-4470.00. At the spot markets also guar gum was quoted lower at Rs 4450 per quintal during Saturday's trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained range bound as against Friday. The price of guar seed was quoted mostly steady to lower. However, guar gum was offered at a lower price with limited activity. The arrivals at the major physical markets are reported to be steady at around 17000-19000 bags. Thin trading activity in the futures market and consequently a narrow range bound trade has also kept the guar physical market quiet. The continuous downtrend in the guar gum future prices are a result of traders not willing to take delivery, with the NCDEX having a good stock of guar gum at 27707 MT till 7th January, 2006. However, traders are expecting that the prices of guar at the physical markets may witness some uptrend in the days ahead.

Under such situations, the prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to firm opening and moderately upward thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	14.01.06	13.01.06	Change
	Bikaner	1650	1650	-
Guar Seed	Jodhpur-B line	1760	1760	-
	Jodhpur-M line	1735	1735	-
	Nokha	1565	1570	-5
	Sriganganagar	1540	1565	-15
	Shiwani	1605	1610	-5
Guar Gum	Jodhpur	4450	4450-4475	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Jan.	330.80	330.80	331.40	+0.60
Mar.	346.00	345.90	346.60	+0.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a range bound trade following a steady to weak opening. The January as well as March futures settled with marginal gain on some buying support at the lower levels.

WEATHER HIGHLIGHTS (14-01-06)

NORTH:

Isolated to scattered rain /snow is likely to commence over Jammu & Kashmir and Himachal Pradesh from today which may subsequently increase and extend into Uttaranchal. Isolated to scattered rain/thundershowers likely over Punjab and Haryana from 15th. Weather will be mainly dry over the rest region.

WEST:

Isolated rain/thundershowers likely over north Rajasthan from 15th. Weather will be mainly dry over the region.

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