

## GUAR SEED and GUAR GUM

January 23, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Firm at Weekend
- Guar Futures: Settled Up Amidst Increased Buying

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bullish, firm opening  
**MACD:** Bullish, positive crossover occurred  
**Stochastic:** Bullish, moving upwards in normal region  
**Overall:** Bullish

#### Market Outlook:

The guar seed futures are expected to trade upwards following a 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 |
|----------|--------|--------|-------|-------|
| Feb.     | 1755   | 1742   | 1792  | 1805  |
| March    | 1800   | 1785   | 1844  | 1856  |

#### Intraday Trade Recommendations:

**Buy** February Guar Seed near 1770 with **target** of 1785, then 1795. **Stop loss** at 1762.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bullish, firm opening  
**MACD:** Bullish, positive crossover occurred  
**Stochastic:** Bullish, moving upwards in normal region  
**Overall:** Bullish

#### Market Outlook:

The guar gum futures are likely to trade upwards following a 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 |
|----------|--------|--------|-------|-------|
| Feb.     | 4550   | 4521   | 4656  | 4684  |
| Mar.     | 4679   | 4650   | 4772  | 4799  |

#### Intraday Trade Recommendations:

**Buy** February Guar Gum near 4595 with **target** of 4625, then 4640. **Stop loss** at 4580.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures finished higher amidst heavy volume of trade.

Arrivals at the major markets reported to be lower at around 15000-16000 bags.

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

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade following a firm opening. Increased buying support has pushed up the futures and the futures settled near to the day's high in final action. The February future traded in a higher range of 1737.00-1771.00. At the spot markets also guar seed was quoted higher at Rs 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market also it was available at a higher price of Rs 1685 per quintal, while at the Nokha market it was offered higher at Rs 1630 per quintal. At the Sriganganagar market it was traded at a higher price of Rs 1600 per quintal, while at the Shiwani market it was quoted higher at Rs 1670 per quintal during Saturday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade after a firm opening. The futures finished higher near to the day's high on increased buying interest. The February future traded in the range of 4502.00-4598.00. At the spot markets also guar gum was quoted higher at Rs 4525 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a firm sentiment at the weekend. The prices of both the guar seed as well as guar gum were quoted much higher in physical markets. The arrivals at the major physical markets are reported to be lower at around 15000-16000 bags during Saturday's trade. With a lower arrival coupled with increased buying interest at the futures market has supported the upward movement in guar prices at the physical markets. Traders reported higher demand from stockists as well as millers and expect the prices to gradually move up further in the coming days. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move upwards following a firm opening with possibility of some downward movement later.

### Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

| Commodity | Centres        | 21.01.06 | 20.01.06 | Change |
|-----------|----------------|----------|----------|--------|
|           | Bikaner        | 1685     | 1665     | +20    |
| Guar Seed | Jodhpur-B line | 1800     | 1780     | +20    |
|           | Jodhpur-M line | 1775     | 1755     | +20    |
|           | Nokha          | 1630     | 1600     | +30    |
|           | Sriganganagar  | 1600     | 1570     | +30    |
|           | Shiwani        | 1670     | 1650     | +20    |
| Guar Gum  | Jodhpur        | 4600     | 4525     | +75    |

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

| Contract | Prev. Close | Open   | Close  | Change |
|----------|-------------|--------|--------|--------|
| Mar.     | 349.60      | 351.50 | 357.30 | +7.70  |

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed an upward trade following a higher opening at the weekend. The march future settled much higher near to the day's high on increased buying support throughout the day.

### WEATHER HIGHLIGHTS (21-01-06)

#### NORTH Region:

Isolated rain/snow likely over Jammu & Kashmir. Weather will be mainly dry over the rest region. However, a spell of moderate rainfall/snowfall is likely over the western Himalayas from 22nd evening till 24th.

#### WEST Region:

Weather will be mainly dry over the region.

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