

GUAR SEED and GUAR GUM

January 31, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Slid on Speculative Selling Pressure

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bearish, negative crossover occurred
Stochastic: Bearish, moving downwards in normal region
Overall: Bearish

Market Outlook:

The guar seed futures are expected to trade slightly downwards following a steady to weak opening initially with possibility of moderate upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1717	1703	1744	1754
March	1758	1748	1787	1797

Intraday Trade Recommendations:

Buy February Guar Seed near 1724 with **target** of 1740, then 1750. **Stop loss** at 1716.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bearish, negative crossover likely
Stochastic: Bearish, moving downwards in normal region
Overall: Bearish

Market Outlook:

The guar gum futures are likely to trade slightly downwards following a steady to weak opening initially with possibility of moderate upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4422	4388	4497	4524
Mar.	4541	4516	4621	4646

Intraday Trade Recommendations:

Buy February Guar Gum near 4430 with **target** of 4460, then 4480. **Stop loss** at 4415.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures slid significantly on speculative selling

Arrivals at the major markets reported to be steady at around 13000-15000 bags.

Prices are likely to move slightly downwards following a steady to weak opening initially with possibility of moderate upward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a downward trade following a weak opening. Increased speculative selling has pressurised the futures and the futures finished down near to the day's low in final action. The February future traded in the range of 1725.00-1755.00. At the spot markets guar seed was quoted lower at Rs 1790 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1670 per quintal, while at the Nokha market it was available at a lower price of Rs 1635 per quintal. At the Sriganganagar market it was traded at a much lower price of Rs 1580 per quintal, while at the Shiwani market it was quoted lower at Rs 1640 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a weak opening. Increased speculative selling interest has underpinned the downtrend and the futures settled down near to the day's low in final action. The February future traded in the range of 4445.00-4546.00. At the spot markets guar gum was quoted lower at Rs 4500-4525 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed bearish sentiment during Monday's trade. The prices of guar seed as well as guar gum were quoted much lower as against the last weekend. The arrivals are reported to be steady at around 13000-15000 bags. With a steady arrival, buyers were away from the markets even at these lower levels. Moreover, the continuous slid at the futures market has dampened the physical market sentiments. However, demand from millers and stockists remained higher with talks of export deals of sizeable quantity. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move slightly downwards following a steady to weak opening initially with possibility of moderate upward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	30.01.06	28.01.06	Change
Guar Seed	Bikaner	1670	1690	-20
	Jodhpur-B line	1790	1810	-20
	Jodhpur-M line	1765	1785	-20
	Nokha	1635	1645	-10
	Sriganganagar	1580	1610	-30
	Shiwani	1640	1660	-20
Guar Gum	Jodhpur	4500-4525	4575-4600	-75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	354.90	353.30	349.80	-5.10

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a weak opening. Increased speculative selling has pressurised the futures throughout the day. The March future settled down near to the day's low in final action.

WEATHER HIGHLIGHTS (30-01-06)

NORTH Region:

Rain/snow is likely at a few places over higher reaches of Jammu & Kashmir and at isolated places over rest Jammu & Kashmir and Himachal Pradesh. Weather will be mainly dry over the rest region.

WEST Region:

Weather will be mainly dry over the region.

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