

GUAR SEED and GUAR GUM

January 04, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Finished Lower on Speculative Selling

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Highly bearish, steady to weak opening

MACD: Slightly bearish, started moving downward

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 range bound upwards thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1671	1658	1701	1713
Feb.	1715	1705	1753	1762

Intraday Trade Recommendations:

Buy January Guar Seed near 1680 with **target** of 1700, then 1710. **Stop loss** at 1670.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Highly bearish, steady to weak opening

MACD: Slightly bearish, started moving downward

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 range bound upwards thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4446	4421	4536	4564
Feb.	4555	4527	4638	4670

Intraday Trade Recommendations:

Buy January Guar Gum near 4460 with **target** of 4510, then 4535. **Stop loss** at 4440.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures registered significant losses on increased speculative selling.

Arrivals at the major markets reported to be lower at around 22000-24000 bags.

Prices are likely to move moderately downwards following a steady to weak opening initially and range bound upwards thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a highly bearish sentiment following a weak opening. Increased speculative selling has pressurised the futures throughout the day and the futures settled near to the day's low in final action. The January future traded in a lower range of 1683.00-1722.00. At the spot markets also guar seed was quoted lower at Rs 1745 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1645 per quintal, while at the Nokha market it was traded at a lower price of Rs 1575 per quintal. At the Sriganganagar market it was available at a lower price of Rs 1560 per quintal, while at the Shiwani market it was quoted lower at Rs 1620 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a weak opening. The futures finished much lower near to the day's low on increased speculative selling. The January future traded in a lower range of 4475.00-4612.00. At the spot markets also guar gum was quoted lower at Rs 4525-4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a bearish sentiment during Tuesday's trade. The prices of both the guar seed as well as guar gum were quoted lower. The arrivals at the major physical market are reported to be lower at around 22000-24000 bags. Despite a lower arrival at the physical markets the prices were quoted lower in line with the futures market. The huge slid at the futures market on increased speculative selling has pressurised the prices of guar at the physical markets. However, the traders are expecting a quick recovery in guar prices. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move moderately downwards following a steady to weak opening initially and range bound upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	03.01.06	02.01.06	Change
	Bikaner	1645	1670	+25
Guar Seed	Jodhpur-B line	1745	1760	+15
	Jodhpur-M line	1720	1735	+15
	Nokha	1575	1590	+15
	Sriganganagar	1560	1575	+15
	Shiwani	1620	1635	+15
Guar Gum	Jodhpur	4525-4550	4600	+75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

Contract	Prev. Close	Open	Close	Change
Jan.	340.50	336.50	333.50	-7.00
Mar.	356.70	352.60	349.20	-7.50

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upward movement following a weak opening at the early hours of trade. However, the futures turned southwards on increased selling pressure. The January future as well as the March future finished much lower near to the day's low.

WEATHER HIGHLIGHTS (02-01-06)

NORTH: Rainfall/snowfall is likely at many places over Himachal Pradesh and Uttaranchal and at a few places over Jammu & Kashmir during next 1-2 days. Only isolated rain/thundershowers are likely over sub-mountainous regions of Punjab and over West Uttar Pradesh for next 24 hours only. Fog is likely over Punjab, Haryana, Delhi and West Uttar Pradesh from tomorrow. Weather will be mainly dry over the rest region.

WEST: Weather will be mainly dry over the region. Fog is likely over north Rajasthan.

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