

## GUAR SEED and GUAR GUM

January 17, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Stable Amidst Steady Arrival
- Guar Futures: Marginally Lower Amidst Thin Trading

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

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

#### Market Outlook:

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

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	1670	1663	1692	1700
Feb.	1707	1700	1726	1733

#### Intraday Trade Recommendations:

Stay away from the market until the prices break major support/resistance for fresh positions.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

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

#### Market Outlook:

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

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Jan.	4250	4225	4330	4355
Feb.	4400	4380	4474	4500

#### Intraday Trade Recommendations:

Stay away from the market until the prices break major support/resistance for fresh positions.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower after a range bound bearish trade.

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

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

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a range bound bearish trade following a weak opening. Moderate selling pressure at the higher levels kept the futures under pressure and the futures settled with losses after trading sideways for the maximum time. The January future traded in the range of 1672.00-1685.00, while the February future fluctuated in the range of 1708.00-1722.00. At the spot markets guar seed was quoted steady at Rs 1760 per quintal in Jodhpur market at the evening session of 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 slightly higher price of Rs 1570 per quintal. At the Sriganganagar market it was available at an unchanged price of Rs 1540 per quintal, while at the Shiwani market it was quoted higher at Rs 1615 per quintal during Monday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a range bound bearish trade after a weak opening. The futures finished down with losses on some selling interest at the higher levels. The January future traded in the range of 4260.00-4300.00, while the February future fluctuated in the range of 4401.00-4458.00. At the spot markets guar gum was quoted steady at Rs 4450 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained range bound as against the last weekend. The prices of guar seed as well as guar gum were quoted almost steady in physical markets. 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 7<sup>th</sup> 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 moderately downwards initially following a steady to weak opening and upward thereafter.

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

(Rs./quintal)

Commodity	Centres	16.01.06	14.01.06	Change
Guar Seed	Bikaner	1650	1650	-
	Jodhpur-B line	1760	1760	-
	Jodhpur-M line	1735	1735	-
	Nokha	1570	1565	+5
	Sriganganagar	1540	1540	-
	Shiwani	1615	1605	+10
Guar Gum	Jodhpur	4450	4450	-

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Jan.	331.40	330.70	330.80	-0.60
Mar.	346.60	345.50	345.90	-0.70

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish range bound trade following a weak opening. The January as well as March futures settled with moderate losses on marginal selling pressure at the higher levels.

### WEATHER HIGHLIGHTS (16-01-06)

#### NORTH:

Rain /Snow is likely at many places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Rain/thundershowers also likely at many places over Punjab and at a few places over Haryana (including Delhi & Chandigarh) and isolated over west Uttar Pradesh. Weather will be mainly dry over the rest region.

#### WEST:

Rain/thundershowers likely at a few places over north Rajasthan. Weather will be mainly dry over the rest region.

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