

GUAR SEED and GUAR GUM

February 01, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Moderate Recovery
- Guar Futures: Moderately Up on Some Buying Support

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening
MACD: Bearish, negative crossover occurred
Stochastic: Bearish, %K-line entered oversold region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1729	1717	1752	1761
March	1772	1763	1800	1808

Intraday Trade Recommendations:

Buy February Guar Seed near 1735 with **target** of 1750, then 1760. **Stop loss** at 1727.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening
MACD: Bearish, negative crossover occurred
Stochastic: Bearish, %K-line entered oversold region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4439	4409	4530	4557
Mar.	4559	4534	4639	4670

Intraday Trade Recommendations:

Buy February Guar Gum near 4460 with **target** of 4500, then 4520. **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 settled with moderate gains on some buying support at the lower levels.

Arrivals at the major markets reported to be slightly lower at around 13000-14000 bags.

Prices are likely to move slightly downwards following steady to firm opening initially and upwards thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed moderate upward trade following a steady to weak opening. However, the futures curbed some of the advances in final action, but managed to settle with moderate gains. The February future traded in the range of 1730.00-1742.00. At the spot markets guar seed was quoted higher at Rs 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a moderately higher price of Rs 1680 per quintal, while at the Nokha market it was available at an unchanged price of Rs 1635 per quintal. At the Sriganganagar market it was traded at a higher price of Rs 1590 per quintal, while at the Shiwani market it was quoted steady at Rs 1640 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed moderate upward trade after a weak opening. The futures finished moderately higher on some buying support at the lower price levels. The February future traded in the range of 4436.00-4487.00. At the spot markets guar gum was quoted higher at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a moderately firm sentiment during Tuesday's trade. The prices of guar seed as well as guar gum were quoted mostly steady to higher as against Monday. The guar prices curbed some of the losses incurred during Monday's trade. The arrivals are reported to be slightly lower at around 13000-14000 bags. With a slightly lower arrival, some buying support has helped the guar prices to recover back. Moreover, the range bound upward trade at the futures market has also supported the physical market sentiments. Demand from millers and stockists remained at the higher side 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 steady to firm opening initially and upwards thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	31.01.06	30.01.06	Change
	Bikaner	1680	1670	+10
Guar Seed	Jodhpur-B line	1800	1790	+10
	Jodhpur-M line	1775	1765	+10
	Nokha	1635	1635	-
	Sriganganagar	1590	1580	+10
	Shiwani	1640	1640	-
Guar Gum	Jodhpur	4550	4500-4525	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	349.80	350.70	351.40	+1.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed an upward trade following a firm opening. The future tested day's low at the opening session. The March future settled higher with moderate gains on some buying support at the lower price levels.

WEATHER HIGHLIGHTS (31-01-06)

NORTH Region:

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

WEST Region:

Isolated rain/thundershowers likely over south coastal Tamil Nadu and Kerala. Weather will be mainly dry over the rest region.

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