

GUAR SEED and GUAR GUM

January 24, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Strong Sentiment
- Guar Futures: Extended Previous Advances Further

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Moderately bullish, firm opening
MACD: Bullish, moving upwards in negative region
Stochastic: Bullish, %K-line entered overbought region
Overall: Moderately bullish

Market Outlook:

The guar seed futures are expected to trade upwards following a firm opening with possibility of a downward correction. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1771	1759	1800	1813
March	1820	1803	1859	1873

Intraday Trade Recommendations:

Buy February Guar Seed near 1775 with **target** of 1790, then 1800. **Stop loss** at 1767.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Moderately bullish, firm opening
MACD: Bullish, moving upwards in negative region
Stochastic: Bullish, %K-line entered overbought region
Overall: Moderately bullish

Market Outlook:

The guar gum futures are likely to trade upwards following a firm opening with possibility of a downward correction. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4600	4566	4700	4729
Mar.	4727	4693	4827	4859

Intraday Trade Recommendations:

Buy February Guar Gum near 4625 with **target** of 4665, then 4685. **Stop loss** at 4605.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher on increased buying support.

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 a downward correction.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a downward trade following a firm opening at the early hours of trade. However, the futures retraced back again on increased buying support at the lower levels and settled near to the day's high in final action. The February future traded in a higher range of 1757.00-1790.00. At the spot markets guar seed was quoted higher at Rs 1820 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was available at a higher price of Rs 1710 per quintal, while at the Nokha market it was offered at a much higher price of Rs 1660 per quintal. At the Sriganganagar market it was traded at an unchanged price of Rs 1600 per quintal, while at the Shiwani market it was quoted higher at Rs 1680 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade after a firm opening initially. However, the futures retraced back again on good buying support at the lower levels and finished higher near to the day's high in final action. The February future traded in a higher range of 4561.00-4664.00. At the spot markets guar gum was quoted higher at Rs 4650 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets extended Saturday's advances further with the start of this week. The prices of both the guar seed as well as guar gum were quoted higher as against Saturday. The arrivals at the major physical markets are reported to be lower at around 15000-16000 bags during Monday's trade. With a lower arrival coupled with increased buying interest from the stockists and millers, the prices of guar are on the uptrend. Traders are expecting the prices of guar to move up gradually in the coming days. Moreover, the upward movement of guar futures prices has also lifted up the physical market sentiments. 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 a downward correction.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	23.01.06	21.01.06	Change
	Bikaner	1710	1685	+25
Guar Seed	Jodhpur-B line	1820	1800	+20
	Jodhpur-M line	1795	1775	+20
	Nokha	1660	1630	+30
	Sriganganagar	1600	1600	-
	Shiwani	1680	1670	+10
Guar Gum	Jodhpur	4650	4600	+50

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	357.30	360.50	360.50	+3.20

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade flowing a firm opening. However, increased buying support at the lower levels pushed up the futures thereafter. The march future settled higher near to the day's high in final action.

WEATHER HIGHLIGHTS (23-01-06)

NORTH Region:

Isolated rain/snow likely over Jammu & Kashmir and Himachal Pradesh for next 24 hours and may increase there after. Weather will be mainly dry over the rest region.

WEST Region:

Weather will be mainly dry over the region.

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