

GUAR SEED and GUAR GUM

February 13, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Weak Amidst Steady Arrivals
- Guar Futures: Settled Down In Range Bound Trade

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

The guar seed futures are likely to trade moderately downwards following a steady to weak opening with possibility of some upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1713	1705	1736	1746
Mar.	1749	1740	1772	1781

Intraday Trade Recommendations:

Sell March Guar Seed near 1760 with **target** of 1750, then 1745. **Stop loss** at 1765.

Do not carry forward the position until the next day.

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



Chart Indicators:

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

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4356	4326	4444	4479
Mar.	4477	4446	4572	4599

Intraday Trade Recommendations:

Sell March Guar Gum near 4515 with **target** of 4495, then 4480. **Stop loss** at 4530.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures traded mostly range bound at the lower levels.

Arrivals at the major markets reported to be steady at around 10000-12000 bags.

Prices are likely to move moderately downwards following a steady to weak opening with possibility of some upward movement later in the session.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX extended previous weakness further at the weekend. The guar seed futures tested day's low at the early hours of trade following a weak opening. However, the futures traded mostly range bound at the lower levels thereafter. The February contract traded in the range of 1720.00-1730.00, while the March contract fluctuated in the range of 1754.00-1769.00. At the spot markets guar seed was quoted steady at Rs 1800 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was traded at a lower price of Rs 1675 per quintal, while at the Nokha market it was available at an unchanged price of Rs 1610 per quintal. At the Sriganganagar market it was offered at a stable price of Rs 1590 per quintal, while at the Shiwani market it was quoted higher at Rs 1650 per quintal during Saturday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish sentiment following a firm opening. The futures traded mostly downward on increased selling pressure and settled near day's low in final action. The February contract traded in the range of 4390.00-4430.00, while the March contract traded in the range of 4506.00-4556.00. At the spot markets guar gum was quoted lower at Rs 4525 per quintal in Jodhpur market during Saturday's trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a bearish sentiment during Saturday's trade. The prices of guar seed as well as guar gum were quoted mostly steady to lower as against Friday. The arrivals at the major physical markets are reported to be steady at around 10000-12000 bags. Despite a higher demand from stockists, millers and export houses the prices of guar has failed to show any significant volatility in this week. Traders attributed the range bound to downwards movement in guar prices at the physical markets to weak demand at the higher price levels. Moreover, the range bound downward trade at the futures market has also kept the physical market under pressure. Amidst such situations, the prices of guar seed as well as guar gum are expected to move moderately downwards following a steady to weak opening with possibility of some upward movement later in the session.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	11.02.06	10.02.06	Change
	Bikaner	1675	1685	-10
Guar Seed	Jodhpur-B line	1800	1800	-
	Jodhpur-M line	1775	1775	-
	Nokha	1610	1625	-15
	Sriganganagar	1590	1590	-
	Shiwani	1650	1640	+10
Guar Gum	Jodhpur	4525	4550	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	347.9	346.1	346.0	-1.9

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a weak opening during Saturday's trade. The March contract settled lower near to the day's low on increased selling pressure.

WEATHER HIGHLIGHTS (11-02-06)

NORTH-WEST INDIA (J & K, H. P., UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP)

Light to moderate rain/snow likely at a few places over Jammu & Kashmir and at isolated places over Himachal Pradesh. Weather will be mainly dry over the region.

WEST INDIA (MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN)

Weather will be mainly dry over the region.

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