

## GUAR SEED and GUAR GUM

February 02, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Weak on Wednesday
- Guar Futures: Settled Lower on Late Selling Pressure

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Bearish, negative crossover occurred  
**Stochastic:** Bearish, %K-line moving downwards in oversold region  
**Overall:** Bearish

#### Market Outlook:

The guar seed futures are expected to trade moderately downwards following a 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	1702	1736	1746
March	1753	1741	1781	1792

#### Intraday Trade Recommendations:

**Buy** February Guar Seed near 1717 with **target** of 1732, then 1740. **Stop loss** at 1710.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, weak opening  
**MACD:** Bearish, negative crossover occurred  
**Stochastic:** Bearish, moving downwards in oversold region  
**Overall:** Bearish

#### Market Outlook:

The guar gum futures are likely to trade moderately downwards following a 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.	4378	4352	4463	4489
Mar.	4500	4471	4588	4616

#### Intraday Trade Recommendations:

**Buy** February Guar Gum near 4390 with **target** of 4420, then 4435. **Stop loss** at 4375.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures finished in the negative territory on late selling pressure.

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

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

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a range bound trade following a firm opening at the early hours of trade. However, the futures settled in the negative territory on late selling pressure. The February future traded in the range of 1716.00-1740.00. At the spot markets guar seed was quoted lower at Rs 1790 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was offered at a lower price of Rs 1670 per quintal, while at the Nokha market it was available at a much lower price of Rs 1615 per quintal. At the Sriganganagar market it was traded at a lower price of Rs 1580 per quintal, while at the Shiwani market it was quoted steady at Rs 1640 per quintal during Wednesday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a range bound trade after a firm opening at the early hours of trade. However, the futures slid on late selling pressure and settled in the negative territory. The February future traded in the range of 4400.00-4489.00. At the spot markets guar gum was quoted lower at Rs 4500-4525 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a bearish sentiment during Wednesday's trade. The arrivals at the major physical markets are reported to be steady at around 13000-14000 bags and consequently the prices of guar went upwards at the morning session of trade. However, the prices of guar seed as well as guar gum were quoted mostly lower at the evening session of trade. The spillover weakness from the futures market has dampened the physical market sentiments. However, demand from millers and stockists remained at the higher side. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move moderately downwards following a weak opening with possibility of some upward movement later.

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

(Rs./quintal)

Commodity	Centres	01.02.06	31.01.06	Change
Guar Seed	Bikaner	1670	1680	-10
	Jodhpur-B line	1790	1800	-10
	Jodhpur-M line	1765	1775	-10
	Nokha	1615	1635	-20
Guar Gum	Sriganganagar	1580	1590	-10
	Shiwani	1640	1640	-
	Jodhpur	4500-4525	4550	-50

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	351.40	351.50	346.40	-5.00

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a slightly higher opening. The future tested day's high at the opening session. The March future settled much lower on increased selling pressure throughout the day.

### WEATHER HIGHLIGHTS (01-02-06)

#### 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:

Weather will be mainly dry over the region.

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