

GUAR SEED and GUAR GUM

February 24, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Weak on Thursday
- Guar Futures: Finished Lower but Pared Early Slid

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving downwards
Overall: Moderately bearish

Market Outlook:

The guar seed futures are likely to trade slightly downward initially following a steady to firm 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
Mar.	1745	1735	1769	1780
Apr.	1780	1765	1813	1827

Intraday Trade Recommendations:

Buy March Guar Seed near 1750 with **target** of 1765, then 1770. **Stop loss** at 1742.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving downwards
Overall: Moderately bearish

Market Outlook:

The guar gum futures are likely to trade slightly downward initially following a steady to firm 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
Mar.	4427	4400	4499	4530
Apr.	4530	4500	4617	4640

Intraday Trade Recommendations:

Buy March Guar Gum near 4440 with **target** of 4470, then 4480. **Stop loss** at 4425.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower but pared some of the losses in final action.

Arrivals at the major markets reported to be steady at around 8000-10000 bags.

Prices are likely to move slightly downward initially following a steady to firm opening with possibility of some upward movement thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upward trade following a weak opening initially. However, increased speculative selling pressurised the futures throughout the day and the futures settled lower after curbing some of the losses in final action. The March contract traded in the range of 1742.00-1765.00, while the April contract fluctuated in the range of 1778.00-1804.00. 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 traded at a steady price of Rs 1675 per quintal, while at the Sriganganagar market and Nokha market it was available at a lower price of Rs 1590 and Rs.1610 per quintal respectively. However, at the Shiwani market it was offered at steady price of Rs 1660 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some upward movement following a weak opening at the early hours of trade. However, increased speculative selling pressurised the futures thereafter. The futures finished lower in the negative territory after curbing some of the losses in final action. The March contract traded in the range of 4433.00-4490.00, while the April contract fluctuated in the range of 4540.00-4595.00. At the spot markets guar gum was quoted lower at Rs 4525 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a bearish sentiment during Thursday's trade. The arrivals at the major physical markets are reported to be steady at around 8000-10000 bags. With a steady arrival and lacklustre trade, the prices of guar at the physical markets turned southwards. Moreover, increased speculative selling and consequently the downward trade at the futures market have also underpinned the bearish sentiment at the physical markets. Despite a lower price, activity was limited at the physical markets. However, traders expect a quick recovery in guar prices, as activity is likely to pick up at this lower level. Amidst such situations, the prices of guar seed as well as guar gum are expected to move slightly downward initially following a steady to firm opening with possibility of some upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	23.02.06	22.02.06	Change
	Bikaner	1675	1675	-
Guar Seed	Jodhpur-B line	1790	1800	-10
	Jodhpur-M line	1765	1775	-10
	Nokha	1610	1625	-15
	Sriganganagar	1590	1600	-10
	Shiwani	1660	1660	-
Guar Gum	Jodhpur	4525	4550	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	345.70	346.00	345.30	-0.40

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upwards trade following a firm opening initially. However, increased selling pressure at the higher levels pressurised the futures thereafter. The March contract settled marginally lower in final action.

WEATHER HIGHLIGHTS (23-02-06)

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

Isolated to scattered rain/snow likely over Jammu & Kashmir. It is likely to increase from 25th and extend into Himachal Pradesh. Mainly dry weather over the rest region.

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

Weather will be mainly dry over the region. Day and Night temperatures likely to remain markedly above normal over many parts of the region.

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