

GUAR SEED and GUAR GUM

February 23, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Slid on Speculative Selling Pressure

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

The guar seed 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 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 1745 with **target** of 1760, then 1770. **Stop loss** at 1737.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, weak opening
MACD: Bearish, negative crossover occurred
Stochastic: Bearish, moving downwards
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
Mar.	4426	4400	4509	4540
Apr.	4537	4509	4617	4645

Intraday Trade Recommendations:

Buy March Guar Gum near 4430 with **target** of 4460, then 4475. **Stop loss** at 4415.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures finished lower near to the day's low on increased selling pressure.

Arrivals at the major markets reported to be steady at around 8000-10000 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 downward trade following a weak opening. Increased speculative selling pressurised the futures throughout the day and the futures settled lower near to the day's low in final action. The March contract traded in the range of 1753.00-1785.00, while the April contract fluctuated in the range of 1791.00-1829.00. At the spot markets guar seed was quoted lower at Rs. 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a lower price of Rs 1675 per quintal, while at the Shiwani market and Nokha market it was available at a steady price of Rs 1660 and Rs.1625 per quintal respectively. However, at the Sriganganagar market it was offered at higher price of Rs 1600 per quintal during Wednesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade following a firm opening. The futures finished much lower near to the day's low on increased speculative selling through out the day. The March contract traded in the range of 4458.00-4560.00, while the April contract fluctuated in the range of 4560.00-4666.00. At the spot markets guar gum was quoted lower at Rs 4550 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 on Wednesday'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 during Wednesday's trade. Moreover, increased speculative selling and consequently the downward trade at the futures market has also underpinned the bearish sentiment at the physical markets. However, traders expect a quick recovery in guar prices, as activity would boost up at this lower levels. Amidst such situations, 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	22.02.06	21.02.06	Change
	Bikaner	1675	1690-1695	-15
Guar Seed	Jodhpur-B line	1800	1810	-10
	Jodhpur-M line	1775	1785	-10
	Nokha	1625	1625	-
	Sriganganagar	1600	1590	+10
	Shiwani	1660	1660	-
Guar Gum	Jodhpur	4550	4560	-10

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	349.80	350.10	345.70	-4.10

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a slightly higher opening. The March contract moved downwards on increased selling pressure at higher levels and finally settled with losses during Wednesday's trade.

WEATHER HIGHLIGHTS (22-02-06)

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

Isolated rain/snow likely to commence over Jammu & Kashmir from 23rd, which is likely to increase from 24th and extend to Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab. Mainly Dry weather over the rest region.

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

Weather will be mainly dry over the region, except isolated rain/thundershowers likely over northwest Rajasthan on 25th. Day and Night temperatures likely to remain significantly above normal over many parts of Rajasthan.

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