

GUAR SEED and GUAR GUM

February 14, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bullish Sentiment
- Guar Futures: Surged Up but Pared Some Advances

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, steady to firm opening
MACD: Bullish, positive crossover occurred
Stochastic: Moderately bullish, positive crossover likely
Overall: Moderately bullish

Market Outlook:

The guar seed futures are likely to trade slightly downward initially following a steady to firm opening and upward thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1730	1720	1753	1763
Mar.	1770	1759	1804	1815

Intraday Trade Recommendations:

Buy March Guar Seed at 1775-1780 with **target** of 1800, then 1810. **Stop loss** at 1767.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, steady to firm opening
MACD: Bullish, positive crossover occurred
Stochastic: Moderately bullish, positive crossover occurred
Overall: Moderately bullish

Market Outlook:

The guar gum futures are likely to trade slightly downward initially following a steady to firm opening and upward thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4437	4404	4514	4545
Mar.	4553	4517	4657	4693

Intraday Trade Recommendations:

Buy March Guar Gum at 4565-4570 with **target** of 4610, then 4630. **Stop loss** at 4545.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures surged on speculative buying but pared some of the gains in late action.

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

Prices are likely to move slightly downward initially following a steady to firm opening and upward thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade following a weak opening. Increased speculative buying at the lower level underpinned the uptrend in guar seed futures. However, profit booking cut back some of the gains in final action. The February contract traded in the range of 1716.00-1760.00, while the March contract fluctuated in the range of 1751.00-1807.00. At the spot markets guar seed was quoted much higher at Rs 1835 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a higher price of Rs 1700 per quintal, while at the Nokha market it was available at a higher price of Rs 1640 per quintal. At the Sriganganagar market it was offered at a higher price of Rs 1600 per quintal, while at the Shiwani market it was quoted higher at Rs 1660 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a highly bullish sentiment following a weak opening. The futures traded mostly upward on increased speculative buying support at lower levels. The February contract traded in the range of 4380.00-4490.00, while the March contract traded in the range of 4502.00-4628.00. At the spot markets guar gum was quoted much higher at Rs 4625 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a bullish sentiment during Monday's trade. The prices of guar seed as well as guar gum were quoted much higher as against Saturday. The arrivals at the major physical markets are reported to be lower at around 10000-12000 bags. The demand from stockists, millers and export houses remained higher, but activity was limited at the higher price levels. Traders attributed the upsurge in guar prices at the physical markets to speculative activity at the futures market. The spillover strength from the futures market has supported the uptrend in guar prices at the physical market. 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 and upward thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	13.02.06	11.02.06	Change
	Bikaner	1700	1675	+25
Guar Seed	Jodhpur-B line	1835	1800	+35
	Jodhpur-M line	1810	1775	+35
	Nokha	1640	1610	+30
	Sriganganagar	1600	1590	+10
	Shiwani	1660	1650	+10
Guar Gum	Jodhpur	4625	4525	+100

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	351.4	345.7	351.4	-

Price Movements at Bikaner Vayda

The Bikaner vayda opened gapped down and tested day's low at the early hours of trade. However, the futures got immediate buying support and moved upwards thereafter. The March contract settled unchanged in final action during Monday's trade.

WEATHER HIGHLIGHTS (13-02-06)

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

Rain/snow likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab and Haryana. Weather will be mainly dry over the rest region.

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

Weather will be mainly dry over the region.

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