

## GUAR SEED and GUAR GUM

February 06, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Weak Despite Higher Demand
- Guar Futures: Settled Down Amid Rangebound Trade

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Slightly bearish, steady to weak opening  
**MACD:** Bearish, moving downwards  
**Stochastic:** Moving upwards in normal region  
**Overall:** Slightly bearish

#### Market Outlook:

The guar seed futures are likely to trade moderately upwards with possibility of early downwards movements following a steady to weak opening. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1718	1711	1737	1744
Mar.	1755	1743	1787	1800

#### Intraday Trade Recommendations:

**Buy** March Guar Seed near 1760 with **target** of 1775, then 1785. **Stop loss** at 1752.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Slightly bearish, steady to weak opening  
**MACD:** Bearish, moving downwards  
**Stochastic:** Moving upwards in normal region  
**Overall:** Slightly bearish

#### Market Outlook:

The guar gum futures are likely to trade moderately upwards with possibility of early downwards movements following a steady to weak opening. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4404	4383	4446	4463
Mar.	4520	4494	4604	4630

#### Intraday Trade Recommendations:

**Buy** March Guar Gum near 4540 with **target** of 4570, then 4590. **Stop loss** at 4525.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled down after a range bound trade at the weekend.

Arrivals at the major markets reported to be steady at around 12000-13000 bags.

Prices are likely to move moderately upwards with possibility of early downwards movements following a steady to weak opening.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a moderately upward trade following a firm opening. However, due to increased selling pressure at the higher levels the market turned southwards and settled with losses. The February future traded in the range of 1720.00-1740.00. At the spot markets guar seed was quoted lower at Rs 1800 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was offered at an unchanged price of Rs 1680 per quintal, while at the Nokha market it was traded at a marginally higher price of Rs 1605 per quintal. At the Sriganganagar market it was available at a steady price of Rs 1590 per quintal, while at the Shiwani market it was quoted unchanged at Rs 1650 per quintal during Saturday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a moderately upward trade after a weak opening. However, the future settled in the negative territory on increased selling pressure at the higher level. The February future traded in the range of 4405.00-4446.00. 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 failed to extend Friday's advances further. The prices of both the guar seed as well as guar gum were quoted steady to lower as against Friday. The arrivals at the major physical markets are reported to be steady at around 12000-13000 bags at the weekend. Buyers were away from the market at the higher levels and consequently the guar prices remained steady to lower despite higher demand amidst talks of export deals of guar gum at sizeable quantity. Export houses are buying guar gum at the present lower levels for last few days. Moreover, the range bound bearish trade at the futures market has also dampened the physical market sentiments. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move moderately upwards with possibility of early downwards movements following a steady to weak opening.

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

(Rs./quintal)

Commodity	Centres	04.02.06	03.02.06	Change
	Bikaner	1680	1680	-
Guar Seed	Jodhpur-B line	1800	1810	-10
	Jodhpur-M line	1775	1785	-10
	Nokha	1605	1600	+5
	Sriganganagar	1590	1590	-
	Shiwani	1650	1650	-
Guar Gum	Jodhpur	4525	4550	-25

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	349.90	348.20	347.80	-2.10

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a lower opening during Saturday's trade. The March future finished lower near to the day's low on increased selling interest.

### WEATHER HIGHLIGHTS (04-02-06)

#### NORTH Region:

Weather will be mainly dry over the region.

#### WEST Region:

Weather will be mainly dry over the region.

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