

## GUAR SEED and GUAR GUM

February 27, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Bearish at Weekend
- Guar Futures: Down; Slid on Late Selling Pressure

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

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

#### Market Outlook:

The guar seed futures are expected to trade moderately downwards following a weak opening. However, an upward technical correction is likely in the short term. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	1718	1700	1750	1769
Apr.	1750	1731	1786	1803

#### Intraday Trade Recommendations:

**Sell** March Guar Seed near 1745 with **target** of 1730, then 1720. **Stop loss** at 1753.

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, moving downwards  
**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. However, an upward technical correction is expected in the short term. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	4352	4301	4452	4499
Apr.	4466	4427	4558	4599

#### Intraday Trade Recommendations:

**Sell** March Guar Gum near 4440 with **target** of 4410, then 4390. **Stop loss** at 4455.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower near to the day's low on late 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. However, an upward technical correction is expected in the short term.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX extended previous weakness further at the weekend. The futures remained mostly range bound following a weak opening at the early hours of trade. However, increased speculative selling pressurised the futures thereafter and the futures settled near day's low in final action. The March contract traded in the range of 1730.00-1755.00, while the April contract fluctuated in the range of 1766.00-1794.00. At the spot markets guar seed was quoted lower at Rs. 1785 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was traded at an unchanged price of Rs 1675 per quintal, while at the Nokha market it was offered at a much lower price of Rs 1600 per quintal. At the Sriganganagar market it was available at a lower price of Rs 1575 per quintal, while at the Shiwani market it was quoted lower at Rs 1650 per quintal during Saturday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a range bound movement following a weak opening at the early hours of trade. However, the futures slid to finish near the day's low in final action. The March contract traded in the range of 4395.00-4460.00, while the April contract fluctuated in the range of 4501.00-4565.00. At the spot markets guar gum was quoted at the lower side of Rs 4500-4525 per quintal in Jodhpur market during Saturday's trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a bearish sentiment at the weekend. The arrivals at the major physical markets are reported to be steady at around 8000-10000 bags. With a steady arrival, the prices of guar at the physical markets remained at the lower side for the last couple of days. Moreover, the downward trade at the futures market have also pressurised the physical market sentiments. Despite a lower price, activity was limited at the physical markets with the sellers not active at the lower levels. Traders are expecting 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 moderately downward following a weak opening. However, an upward correction is expected in the short term.

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

(Rs./quintal)

Commodity	Centres	25.02.06	24.02.06	Change
	Bikaner	1675	1675	-
Guar Seed	Jodhpur-B line	1785	1790	-5
	Jodhpur-M line	1760	1765	-5
	Nokha	1600	1620	-20
	Sriganganagar	1575	1590	-15
	Shiwani	1650	1660	-10
Guar Gum	Jodhpur	4500-4525	4525	-25

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	345.30	344.80	341.30	-4.00

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a slightly upward trade initially after a weak opening. However, increased selling at higher levels pressurised the futures thereafter and the March contract finished down near to the day's low in final action.

### WEATHER HIGHLIGHTS (25-02-06)

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

Rain/snow likely at a few places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal. Isolated rain/thundershowers over Punjab and north Haryana during next 2-3 days. Day and night temperatures are likely to remain above normal by 4-6°C. 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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