

GUAR SEED and GUAR GUM

March 01, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Range Bound Trade
- Guar Futures: Settled Mixed Amidst Thin Trading Activity

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: Slightly bullish, moving upwards in oversold region
Overall: Bearish but correction due

Market Outlook:

The guar seed futures are expected to trade moderately downwards following a steady to weak opening with possibility of some early upward movement. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	1710	1700	1735	1749
Apr.	1750	1733	1781	1799

Intraday Trade Recommendations:

Sell March Guar Seed near 1730 with **target** of 1715, then 1710. **Stop loss** at 1738.

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: Slightly bullish, moving upwards in oversold region
Overall: Bearish but correction due

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	4350	4305	4418	4458
Apr.	4438	4400	4539	4575

Intraday Trade Recommendations:

Sell March Guar Gum near 4390 with **target** of 4360, then 4350. **Stop loss** at 4405.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed futures managed to settle with slight gains, while guar gum futures remained in the negative territory.

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

Prices are likely to move moderately downwards following a steady to weak opening with possibility of some early upward movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upward movement following a weak opening at the early hours of trade. However, the futures traded mostly range bound thereafter for the rest of the session. The futures managed to settle with marginal gains in final action. The March contract traded in the range of 1717.00-1732.00, while the April contract fluctuated in the range of 1756.00-1771.00. At the spot markets guar seed was quoted slightly lower at Rs. 1775 per quintal in Jodhpur market at the evening session of trade. However, at the Bikaner, Nokha, Sriganganagar and Shiwani market it was offered at an unchanged price of Rs 1665, Rs 1580, Rs 1570 and Rs 1650 per quintal respectively during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some upward movement following a firm opening at the early hours of trade. The futures traded mostly range bound at the higher level for the rest of the session. However, the futures settled with marginal loss in late action. The March contract traded in the range of 4362.00-4395.00, while the April contract fluctuated in the range of 4460.00-4505.00. At the spot markets guar gum was quoted at the lower side of Rs 4475 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a range bound movement during Tuesday's trade. 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 few days. Moreover, the lacklustre trade at the futures market has also limited the physical market activity. 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 downwards following a steady to weak opening with possibility of some early upward movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	28.02.06	27.02.06	Change
	Bikaner	1665	1665	-
Guar Seed	Jodhpur-B line	1775	1780	-5
	Jodhpur-M line	1750	1755	-5
	Nokha	1580	1580	-
	Sriganganagar	1570	1570	-
	Shiwani	1650	1650	-
Guar Gum	Jodhpur	4475	4480-4500	-5

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	340.00	340.20	341.00	+1.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed an upward trade following a firm opening. The March contract settled higher near to the day's high on moderate buying support at the lower levels during Tuesday's trade.

WEATHER HIGHLIGHTS (28-02-06)

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

Mainly dry weather is likely over the region. Night temperatures over the regions are likely to fall further by 2-3 °C.

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

Isolated rain/thundershowers likely over Marathwada and south Madhya Maharashtra. Weather will be mainly dry over the region. Day & night temperatures over Gujarat and Maharashtra are likely to fall by 2-3 °C.

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