

GUAR SEED and GUAR GUM

February 25, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Steady on Friday
- Guar Futures: Slightly Down Amidst Lacklustre Trade

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving downwards, entered oversold region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	1742	1732	1762	1772
Apr.	1780	1765	1812	1825

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: Trend reversal, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving downwards in oversold region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	4427	4400	4497	4524
Apr.	4530	4500	4610	4638

Intraday Trade Recommendations:

Buy March Guar Gum near 4440 with **target** of 4470, then 4480. **Stop loss** at 4425.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled marginally lower amidst lacklustre trade.

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

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a lacklustre trade following a weak opening. The futures traded side-ways for the maximum time and finally settled with some losses. The March contract traded in the range of 1746.00-1757.00, while the April contract fluctuated in the range of 1783.00-1796.00. At the spot markets guar seed was quoted steady at Rs. 1790 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at an unchanged price of Rs 1675 per quintal, while at the Sriganganagar market and Shiwani market it was available at a steady price of Rs 1590 and Rs.1660 per quintal respectively. However, at the Nokha market it was offered at higher price of Rs 1620 per quintal during Friday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a range bound trade at lower levels following a weak opening. The futures moved side-ways for the maximum time and finished in the negative territory in final action. The March contract traded in the range of 4442.00-4473.00, while the April contract fluctuated in the range of 4540.00-4575.00. At the spot markets guar gum was quoted steady at Rs 4525 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 Friday'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 remained steady. Moreover, the range bound trade at the futures market have also kept the physical market quiet. Despite a lower price, activity was limited at the physical markets. However, traders expect 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 slightly downward initially following a steady to firm opening and moderately upward thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	24.02.06	23.02.06	Change
Guar Seed	Bikaner	1675	1675	-
	Jodhpur-B line	1790	1790	-
	Jodhpur-M line	1765	1765	-
	Nokha	1620	1610	+10
Guar Gum	Sriganganagar	1590	1590	-
	Shiwani	1660	1660	-
	Jodhpur	4525	4525	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	345.30	344.30	345.30	-

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a range bound trade with bearish undertone following a weak opening. However, some buying interest at the lower levels supported the market thereafter. The March contract settled unchanged in the final action.

WEATHER HIGHLIGHTS (24-02-06)

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 and Uttaranchal Isolated rain/thundershowers over Punjab and north Haryana on 26th & 27th. 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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