

GUAR SEED and GUAR GUM

February 09, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Steady on Wednesday
- Guar Futures: Settled Up but Pared Morning Advances

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to weak opening
MACD: Bearish, moving downwards
Stochastic: Slightly bearish, %K-line started moving downwards in normal region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1711	1700	1729	1740
Mar.	1754	1745	1778	1787

Intraday Trade Recommendations:

Better to stay away from the market until the market closes above/below major resistance/support level.

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 weak opening
MACD: Bearish, moving downwards
Stochastic: Slightly bullish, moving upwards in normal region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4402	4381	4463	4485
Mar.	4506	4477	4567	4598

Intraday Trade Recommendations:

Better to stay away from the market until the market closes above/below major resistance/support level.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures managed to settle with moderate gains after profit taking curbed early advances.

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

Prices are likely to move moderately downwards initially following a steady to weak opening and upward thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed moderately upward trade following a weak opening at the early hours of trade. However, the futures ran into profit taking, but managed to settle with marginal gains in final action. The February future traded in the range of 1718.00-1740.00, while the March future traded in the range of 1759.00-1785.00. At the spot markets guar seed was quoted steady at Rs 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a slightly higher price of Rs 1685 per quintal, while at the Nokha market it was available at a higher price of Rs 1610 per quintal. At the Sriganganagar market it was offered at a higher price of Rs 1595 per quintal, while at the Shiwani market it was quoted higher at Rs 1650 per quintal during Wednesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed moderate upward trade following a weak opening at the early hours of trade. However, the futures turned southwards on profit taking at the higher levels, but hold some gains in final action. The February future traded in the range of 4415.00-4453.00, while the March future traded in the range of 4521.00-4580.00. At the spot markets guar gum was quoted higher at Rs 4550 per quintal in Jodhpur market at the evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed mostly steady to firm sentiment during Wednesday's trade. The prices of guar seed as well as guar gum were quoted on an average steady to higher as against Tuesday. The arrivals at the major physical markets are reported to be steady at around 12000-13000 bags today. Despite a higher demand from stockists, millers and export houses the prices of guar has failed to show any significant volatility in the recent time. Traders attributed the range bound movement in guar prices at the physical markets to weak demand at the higher price levels. Moreover, the range bound trade at the futures market has also kept the physical market quiet. Amidst such situations, the prices of guar seed as well as guar gum are expected to move moderately downwards initially following a steady to weak opening and upward thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	08.02.06	07.02.06	Change
Guar Seed	Bikaner	1685	1680	+5
	Jodhpur-B line	1800	1800	-
	Jodhpur-M line	1775	1775	-
	Nokha	1610	1595	+15
Guar Gum	Sriganganagar	1595	1585	+10
	Shiwani	1650	1640	+10
	Jodhpur	4550	4525	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	347.00	348.50	347.50	+0.50

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a moderately upward trade following a firm opening at the early hours of trade. However, the future turned downward on increased selling interest at the higher level. The March future managed to settle with marginal gains in final action.

WEATHER HIGHLIGHTS (08-02-06)

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

Isolated rain/snow likely over higher reaches of Jammu & Kashmir and Himachal Pradesh. Weather will be mainly dry over the rest region.

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

Weather will be mainly dry in the region.

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