

## GUAR SEED and GUAR GUM

February 22, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Range Bound
- Guar Futures: Settled Down; Pared Early Gains

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Slightly bearish, steady to weak opening  
**MACD:** Bullish, moving upwards  
**Stochastic:** Slightly bearish, negative crossover  
**Overall:** Slightly bearish

#### Market Outlook:

The guar seed futures are likely to trade slightly 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
Mar.	1770	1759	1795	1806
Apr.	1814	1802	1845	1855

#### Intraday Trade Recommendations:

**Buy** March Guar Seed near 1770 with **target** of 1785, then 1795. **Stop loss** at 1762.

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:** Bullish, moving upwards in negative region  
**Stochastic:** Slightly bearish, moving downwards  
**Overall:** Slightly bearish

#### Market Outlook:

The guar gum futures are likely to trade slightly 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
Mar.	4525	4500	4580	4605
Apr.	4625	4600	4709	4732

#### Intraday Trade Recommendations:

**Buy** March Guar Gum near 4530 with **target** of 4560, then 4575. **Stop loss** at 4515.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled with losses after curbing morning advances.

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

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

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed some range bound upward trade following a firm opening at the early hours of trade. However, increased selling pressure at the higher levels pressurised the futures thereafter and the futures settled in the negative territory. The March contract traded in the range of 1777.00-1791.00, while the April contract fluctuated in the range of 1821.00-1840.00. At the spot markets guar seed was quoted steady at Rs. 1810 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a steady price of Rs 1690-1695 per quintal, while at the Shiwani market and Sriganganagar market it was available at a steady price of Rs 1660 and Rs.1590 per quintal respectively. However, at the Nokha market it was offered at lower price of Rs 1625 during Tuesday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed some upward trade following a firm opening initially. However, moderate selling pressure at the higher levels curbed the early gains and the futures settled with moderate losses in final action. The March contract traded in the range of 4540.00-4570.00, while the April contract fluctuated in the range of 4645.00-4684.00. At the spot markets guar gum was quoted lower at Rs 4560 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 on Tuesday's trade. The arrivals at the major physical markets are reported to be steady at around 8000-10000 bags. With a steady arrival and demand the prices of guar at the physical markets remained range bound during Tuesday's trade. Moreover, the range bound trade at the futures market has also kept the physical market activity limited. Guar prices at the physical markets have failed to show any significant movement in the recent time. Traders attributed the range bound trade at the physical market to limited demand at the higher price levels. Amidst such situations, the prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to weak opening and upward thereafter.

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

(Rs./quintal)

Commodity	Centres	21.02.06	20.02.06	Change
Guar Seed	Bikaner	1690-1695	1690	-
	Jodhpur-B line	1810	1810	-
	Jodhpur-M line	1785	1785	-
	Nokha	1625	1630	-5
	Sriganganagar	1590	1590	-
Guar Gum	Shiwani	1660	1660	-
	Jodhpur	4560	4575	-15

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	350.60	350.80	350.00	-0.60

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a slightly higher opening. The futures witnessed mixed sentiments throughout the day. However, the March contract settled lower on some selling pressure during Tuesday's trade.

### WEATHER HIGHLIGHTS (21-02-06)

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

Isolated rain/snow likely over higher reaches of Jammu & Kashmir on 23rd only. Mainly Dry weather over the rest region. Day temperatures are likely to remain 6-8°C above normal over the region.

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

Weather will be mainly dry over the region. Day and Night temperatures over many parts of Rajasthan are likely to remain 6-8°C above normal.

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