

## GUAR SEED and GUAR GUM

February 11, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Bearish on Friday
- Guar Futures: Finished Lower Amidst Thin Trade

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Bearish, moving downwards  
**Stochastic:** Bearish, negative crossover occurred  
**Overall:** Bearish

#### Market Outlook:

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

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1717	1708	1736	1746
Mar.	1755	1746	1776	1784

#### Intraday Trade Recommendations:

Better to stay away from the market until the futures closed above/below major resistance/support levels.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Bearish, moving downwards  
**Stochastic:** Bearish, negative crossover occurred  
**Overall:** Bearish

#### Market Outlook:

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

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4382	4354	4453	4479
Mar.	4508	4487	4563	4581

#### Intraday Trade Recommendations:

Better to stay away from the market until the futures closed above/below major resistance/support levels.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower on increased selling pressure at the higher levels amidst thin trade.

Arrivals at the major markets reported to be steady at around 10000-12000 bags.

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

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a marginally upward trade initially following a slightly weak opening, but increased selling pressure at higher levels pressurised the futures thereafter. The futures settled lower near to the day's low in final action. The February futures traded in the range of 1726.00-1737.00, while the March futures traded in the range of 1762.00-1777.00. At the spot markets guar seed was quoted lower at Rs 1800 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a lower price of Rs 1685 per quintal, while at the Nokha market it was available at an unchanged price of Rs 1625 per quintal. At the Sriganganagar market it was offered at a slightly lower price of Rs 1590 per quintal, while at the Shiwani market it was quoted lower at Rs 1640 per quintal during Friday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish sentiment following a firm opening. The futures traded downwards on increased selling pressure at the higher levels. The near month February futures tested a much lower level of Rs 4285 per quintal, but quickly recovered the huge slid. The February futures traded in the range of 4285.00-4460.00, while the March futures traded in the range of 4530.00-4560.00. At the spot markets guar gum was quoted lower at Rs 4550 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a bearish sentiment during Friday's trade. The prices of guar seed as well as guar gum were quoted mostly lower as against Thursday. The arrivals at the major physical markets are reported to be lower at around 10000-12000 bags. 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 to downwards movement in guar prices at the physical markets to weak demand at the higher price levels. Moreover, the range bound downward trade at the futures market has also kept the physical market under pressure. 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 upward movement later.

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

(Rs./quintal)

Commodity	Centres	10.02.06	09.02.06	Change
	Bikaner	1685	1695	-10
Guar Seed	Jodhpur-B line	1800	1810	-10
	Jodhpur-M line	1775	1785	-10
	Nokha	1625	1625	-
	Sriganganagar	1590	1595	-5
	Shiwani	1640	1650	-10
Guar Gum	Jodhpur	4550	4550-4575	-25

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	347.9	348.7	347.9	-

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a range bound trade following a firm opening at the early hours of trade. However, the future turned downward on increased selling pressure at the higher level. The March future settled unchanged in final action.

### WEATHER HIGHLIGHTS (10-02-06)

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

Isolated light rain/snow likely over Jammu & Kashmir and Himachal Pradesh on 12<sup>th</sup> & 13<sup>th</sup>. Weather will be mainly dry over the rest region.

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

Weather will be mainly dry over the region.

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