

GUAR SEED and GUAR GUM

February 03, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Rangebound Trade
- Guar Futures: Settled Down after Curbing Some Losses

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, negative crossover occurred
Stochastic: Upward technical correction likely
Overall: Possibility of trend reversal

Market Outlook:

The guar seed futures are likely to trade moderately upwards initially following a steady to firm opening with possibility of downward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1715	1707	1736	1746
March	1753	1741	1781	1792

Intraday Trade Recommendations:

Buy February Guar Seed near 1717 with **target** of 1732, then 1740. **Stop loss** at 1710.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, negative crossover occurred
Stochastic: Upward technical correction likely
Overall: Possibility of trend reversal

Market Outlook:

The guar gum futures are likely to trade moderately upwards initially following a steady to firm opening with possibility of downward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4373	4350	4450	4477
Mar.	4500	4471	4588	4616

Intraday Trade Recommendations:

Buy February Guar Gum near 4380 with **target** of 4420, then 4440. **Stop loss** at 4360.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled down after curbing some of the losses in late action.

Arrivals at the major markets reported to be steady at around 13000-14000 bags.

Prices are likely to move moderately upwards initially following a steady to firm opening with possibility of downward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish trade following a firm opening. Increased selling interest has pressurised the futures throughout the day. However, the futures managed to cut back some of the losses in final action. The February future traded in the range of 1711.00-1728.00. 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 offered lower at Rs 1660 per quintal, while at the Nokha market it was available at a lower price of Rs 1600 per quintal. At the Sriganganagar market it was traded at a marginally lower price of Rs 1575 per quintal, while at the Shiwani market it was quoted unchanged at Rs 1640 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a bearish trade after a weak opening. The futures tested fresh contract month lows on increased selling interest throughout the day. However, the futures managed to cut back some of the losses in final action. The February future traded in the range of 4355.00-4425.00. At the spot markets guar gum was quoted steady at the lower level of Rs 4500 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound trade with a bearish undertone during Thursday's trade. The arrivals at the major physical markets are reported to be steady at the lower levels at around 13000-14000 bags. The prices of guar seed as well as guar gum were quoted mostly steady to lower at the evening session of trade. The early weakness at the futures market has pressurised the guar prices at the physical market. However, demand from millers and stockists remained at the higher side. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move moderately upwards initially following a steady to firm opening with possibility of downward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	02.02.06	01.02.06	Change
	Bikaner	1660	1670	-10
Guar Seed	Jodhpur-B line	1790	1790	-
	Jodhpur-M line	1765	1765	-
	Nokha	1600	1615	-15
	Sriganganagar	1575	1580	-5
	Shiwani	1640	1640	-
Guar Gum	Jodhpur	4500	4500-4525	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	346.40	347.50	345.40	-1.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed moderate upward trade following a firm opening at the early hours of trade. The future tested day's high at the opening session, but slid thereafter. The March future settled lower on increased selling pressure throughout the day.

WEATHER HIGHLIGHTS (02-02-06)

NORTH Region:

Weather will be mainly dry over the region.

WEST Region:

Weather will be mainly dry over the region.

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