

## GUAR SEED and GUAR GUM

February 20, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Slightly Weak at Weekend
- Guar Futures: Settled Lower Amidst Thin Trade

### 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 in negative region  
**Stochastic:** Moderately bearish, moving downwards  
**Overall:** Moderately bearish

#### Market Outlook:

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

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1725	1717	1742	1750
Mar.	1762	1750	1790	1802
Apr.	1810	1800	1835	1844

#### Intraday Trade Recommendations:

**Sell** March Guar Seed near 1785 with **target** of 1770, then 1760. **Stop loss** at 1792.

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:** Moderately bearish, moving downwards  
**Overall:** Moderately bearish

#### Market Outlook:

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

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4390	4367	4465	4484
Mar.	4521	4500	4574	4599
Apr.	4628	4600	4700	4729

#### Intraday Trade Recommendations:

**Sell** March Guar Gum near 4560 with **target** of 4530, then 4510. **Stop loss** at 4575.

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 moderate selling pressure amidst thin trade.

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

Prices are likely to move slightly upwards initially following a steady to weak opening and downward thereafter.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a moderately downward trade following a firm opening. Moderate selling interest at the higher levels pressurised the futures at the early hours of the trade and remained mostly range bound thereafter. The February contract traded in the range of 1735.00-1748.00, while the March contract fluctuated in the range of 1777.00-1792.00. At the spot markets guar seed was quoted steady at Rs. 1815 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was traded at a lower price of Rs 1690 per quintal, while at the Nokha market and Sriganganagar market it was available at a steady price of Rs 1640 and Rs.1600 per quintal respectively. At the Shiwani market it was offered at lower price of Rs 1650 during Saturday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX remained bearish after a slightly weak opening. The futures traded mostly downwards on moderate selling interest at the higher levels. The February contract traded in the range of 4420.00-4450.00, while the March contract fluctuated in the range of 4535.00-4574.00. At the spot markets guar gum was quoted lower at Rs 4575 per quintal in Jodhpur market during Saturday's trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound movement with a bearish sentiment at the weekend. The arrivals at the major physical markets are reported to be steady at around 8000-10000 bags. With a steady arrival and moderate demand the prices of guar at the physical markets remained mostly steady during the last few days. Moreover, the range bound trade at the futures market has also kept the physical market activity limited. Amidst such situations, the prices of guar seed as well as guar gum are expected to move slightly upwards initially following a steady to weak opening and downward thereafter.

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

(Rs./quintal)

Commodity	Centres	18.02.06	17.02.06	Change
	Bikaner	1690	1700	-10
Guar Seed	Jodhpur-B line	1815	1815	-
	Jodhpur-M line	1790	1790	-
	Nokha	1640	1640	-
	Sriganganagar	1600	1600	-
	Shiwani	1650	1660	-10
Guar Gum	Jodhpur	4575	4600	-25

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	351.30	350.50	349.80	-1.50

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a weak opening. Increased selling interest has pressurised the futures throughout the day. The March contract settled lower near to the day's low in final action during Saturday's trade.

### WEATHER HIGHLIGHTS (18-02-06)

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

Scattered rain/snow likely over Jammu & Kashmir and isolated Himachal Pradesh and Uttaranchal. Mainly dry weather over the rest regions. Night temperatures are likely to remain significantly above normal and day temperatures are likely to fall by 2-3°C during next 2-3 days.

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

Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain significantly above normal for the next 2-3 days.

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