

## GUAR SEED and GUAR GUM

February 28, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Weak on Monday
- Guar Futures: Settled Down; Slid to Contract Lows

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Slightly bearish, steady to weak opening  
**MACD:** Bearish, moving downwards  
**Stochastic:** Bearish, moving downwards in oversold region, technical correction likely  
**Overall:** Bearish but correction likely

#### Market Outlook:

The guar seed futures are expected to trade moderately downwards following a steady to week 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
Mar.	1710	1700	1735	1749
Apr.	1750	1731	1786	1800

#### Intraday Trade Recommendations:

**Buy** March Guar Seed near 1715 with **target** of 1730, then 1740. **Stop loss** at 1707.

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:** Bearish, moving downwards  
**Stochastic:** Bearish, moving downwards in oversold region, technical correction likely  
**Overall:** Bearish but correction likely

#### Market Outlook:

The guar gum futures are likely to trade moderately downwards following a steady to week 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
Mar.	4340	4301	4430	4478
Apr.	4450	4425	4545	4575

#### Intraday Trade Recommendations:

**Buy** March Guar Gum near 4350 with **target** of 4390, then 4410. **Stop loss** at 4330.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled lower; tested fresh contract month lows.

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

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

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed a bearish sentiment following a weak opening and tested day's low at the early hours of trade. However, the futures trade mostly range bound thereafter, but finish the day at the negative territory. The March contract traded in the range of 1713.00-1734.00, while the April contract fluctuated in the range of 1750.00-1770.00. At the spot markets guar seed was quoted lower at Rs. 1780 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at lower price of Rs 1665 per quintal, while at the Nokha market it was offered at a much lower price of Rs 1580 per quintal. At the Sriganganagar market it was available at a lower price of Rs 1570 per quintal, while at the Shiwani market it was quoted at an unchanged prices of Rs 1650 per quintal during Monday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed bearish sentiment following a weak opening and tested day's low at the early hours of trade. However, the futures traded mostly range bound at the lower levels thereafter. The March contract traded in the range of 4340.00-4398.00, while the April contract fluctuated in the range of 4451.00-4501.00. At the spot markets guar gum was quoted at the lower side of Rs 4480-4500 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 Monday's trade. The arrivals at the major physical markets are reported to be steady at around 8000-10000 bags. With a steady arrival, the prices of guar at the physical markets remained at the lower side for the last few days. Moreover, the downward trade at the futures market have also pressurised the physical market sentiments. Despite a lower price, activity was limited at the physical markets with the sellers not active at the lower levels. Traders are expecting a quick recovery in guar prices, as activity is likely to pick up at this lower level. Amidst such situations, the prices of guar seed as well as guar gum are expected to move moderately downwards following a steady to week opening with possibility of some upward movement later.

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

(Rs./quintal)

Commodity	Centres	27.02.06	25.02.06	Change
	Bikaner	1665	1675	-10
Guar Seed	Jodhpur-B line	1780	1785	-5
	Jodhpur-M line	1755	1760	-5
	Nokha	1580	1600	-20
	Sriganganagar	1570	1575	-5
	Shiwani	1650	1650	-
Guar Gum	Jodhpur	4480-4500	4500-4525	-25

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	341.30	339.60	340.00	-1.30

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a downward trade following a weak opening. Though the futures got some support at the lower levels, but the March contract finished in the negative territory.

### WEATHER HIGHLIGHTS (27-02-06)

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

Isolated rain/snow likely over Jammu & Kashmir during next 24 hours only. Mainly Dry weather over the rest region. Night temperatures over the regions are likely to fall by 2-3° C.

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

Weather will be mainly dry over the region. Night temperatures over Rajasthan are likely to fall by 2-3° C.

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