

## GUAR SEED and GUAR GUM

February 21, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Maintained Bearishness
- Guar Futures: Higher on Moderate Buying Support

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Slightly bullish, steady to firm opening  
**MACD:** Bullish, moving upwards  
**Stochastic:** Moderately bullish, positive crossover  
**Overall:** Moderately bullish

#### Market Outlook:

The guar seed futures are likely to trade move slightly downwards initially following a steady to firm opening and upward thereafter. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	1769	1760	1798	1807
Apr.	1822	1811	1848	1858

#### Intraday Trade Recommendations:

**Buy** March Guar Seed near 1780 with **target** of 1795, then 1805. **Stop loss** at 1772.

Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Slightly bullish, steady to firm opening  
**MACD:** Bullish, moving upwards in negative region  
**Stochastic:** Slightly bearish, moving downwards  
**Overall:** Moderately bullish

#### Market Outlook:

The guar gum futures are likely to trade move slightly downwards initially following a steady to firm opening and upward thereafter. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Mar.	4525	4500	4599	4626
Apr.	4640	4619	4721	4747

#### Intraday Trade Recommendations:

**Buy** March Guar Gum near 4540 with **target** of 4580, then 4600. **Stop loss** at 4520.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures managed to settle with some gains in final action.

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 firm opening and upward thereafter.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed some downward trade following a weak opening initially. However, the futures recovered back on buying support at the lower levels and finally settled with marginal gains. The February contract traded sharply lower ahead of its maturity and finally settled at Rs 1718.10 per quintal, marginally higher than its last traded price of Rs 1716.00 per quintal. The February contract traded in the range of 1705.00-1734.00, while the March contract fluctuated in the range of 1751.00-1795.00. At the spot markets guar seed was quoted marginally lower 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 per quintal, while at the Nokha market and Sriganganagar market it was available at a lower price of Rs 1630 and Rs.1590 per quintal respectively. However, at the Shiwani market it was offered at higher price of Rs 1660 during Monday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed some downward trade following a weak opening initially. However, increased buying interest at the lower levels supported the futures thereafter and the futures finished with moderate gains. The February contract traded mostly upwards ahead of its maturity and finally settled at Rs 4593.00 per quintal, much higher than its last traded price of Rs 4400.00 per quintal. The February contract traded in the range of 4400.00-4442.00, while the March contract fluctuated in the range of 4525.00-4580.00. At the spot markets guar gum was quoted steady at Rs 4575 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound movement with a bearish sentiment on Monday's trade. 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 went downwards during Monday's trade. The range bound trade at the futures market has kept the physical market activity limited. Amidst such situations, the prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to firm opening and upward thereafter.

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

(Rs./quintal)

Commodity	Centres	20.02.06	18.02.06	Change
	Bikaner	1690	1690	-
Guar Seed	Jodhpur-B line	1810	1815	-5
	Jodhpur-M line	1785	1790	-5
	Nokha	1630	1640	-10
	Sriganganagar	1590	1600	-10
	Shiwani	1660	1650	+10
Guar Gum	Jodhpur	4575	4575	-

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	349.80	349.50	350.60	+0.80

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed an upward trade following a slightly weak opening. The futures witnessed mixed sentiments throughout the day. However, the March contract settled higher on some buying support during Monday's trade.

### WEATHER HIGHLIGHTS (20-02-06)

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

Isolated rain/snow likely over higher reaches of Jammu & Kashmir. Mainly Dry weather over the rest region. Day temperatures are likely to remain 5-7°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 Rajasthan and Gujarat are likely to remain above normal by 4-7°C above normal.

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