

GUAR SEED and GUAR GUM

February 08, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiment
- Guar Futures: Settled Down on Speculative Selling

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: Slightly bearish, %K-line started moving downwards in normal region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1711	1700	1729	1740
Mar.	1756	1746	1780	1790

Intraday Trade Recommendations:

Buy March Guar Seed near 1755 with **target** of 1770, then 1780. **Stop loss** at 1747.

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: Slightly bullish, moving upwards in normal region
Overall: Moderately bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4406	4380	4473	4500
Mar.	4517	4488	4585	4615

Intraday Trade Recommendations:

Buy March Guar Gum near 4520 with **target** of 4540, then 4550. **Stop loss** at 4510.

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 speculative selling.

Arrivals at the major markets reported to be steady at around 12000-13000 bags.

Prices are likely to move slightly downwards initially following a steady to weak opening and upward thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a slight upward trade following a steady opening at the early hours of trade. However, increased speculative selling at these levels pressurised the futures thereafter. The February future traded in the range of 1713.00-1738.00, while the March future traded in the range of 1750.00-1777.00. At the spot markets guar seed was quoted lower at Rs 1800 per quintal in Jodhpur market at the evening session of Tuesday's trade. At the Bikaner market it was offered at a lower price of Rs 1680 per quintal, while at the Nokha market it was available at a lower price of Rs 1595 per quintal. At the Sriganganagar market it was traded lower at Rs 1585 per quintal, while at the Shiwani market it was quoted lower at Rs 1640 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some upward movement following a firm opening. However, the futures slid thereafter on increased speculative selling pressure. The February future traded in the range of 4381.00-4455.00, while the March future traded in the range of 4511.00-4579.00. At the spot markets guar gum was quoted lower at Rs 4525 per quintal in Jodhpur market at the evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a bearish sentiment during Tuesday's trade. The prices of both the guar seed as well as guar gum were quoted lower as against Monday. The arrivals at the major physical markets are reported to be steady at around 12000-13000 bags today. Despite a higher demand and steady arrivals, the prices remained lower as buyers were away from the market at the higher price levels. Moreover, the speculative selling pressure at the futures market and consequently lower futures prices have also underpinned the downtrend in guar prices at the physical markets. However, the prices are likely to recover fast. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to weak opening and upward thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	07.02.06	06.02.06	Change
	Bikaner	1680	1690	-10
Guar Seed	Jodhpur-B line	1800	1810	-10
	Jodhpur-M line	1775	1785	-10
	Nokha	1595	1610	-15
	Sriganganagar	1585	1595	-10
	Shiwani	1640	1650	-10
Guar Gum	Jodhpur	4525	4550	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	348.70	348.60	347.00	-1.70

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a bearish sentiment following a slightly weak opening during Tuesday's trade. The March future settled with moderate loss on some selling pressure at the higher levels.

WEATHER HIGHLIGHTS (07-02-06)

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

Isolated rain/snow likely over higher reaches of Jammu & Kashmir and Himachal Pradesh. Weather will be mainly dry over the rest region.

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

Weather will be mainly dry in the region.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd