

## GUAR SEED and GUAR GUM

February 18, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Firm with Lower Arrivals
- Guar Futures: Settled Higher after Morning Surge

### 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 in negative region  
**Stochastic:** Moderately bullish, moving upwards  
**Overall:** Slightly bullish

#### Market Outlook:

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

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1725	1717	1750	1759
Mar.	1766	1754	1799	1809

#### Intraday Trade Recommendations:

**Sell** March Guar Seed near 1805 with **target** of 1785, then 1775. **Stop loss** at 1815.

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

#### Market Outlook:

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

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4390	4358	4471	4510
Mar.	4511	4486	4585	4612

#### Intraday Trade Recommendations:

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

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher; surged up at the early session of trade.

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

Prices are likely to move moderately upwards initially following a steady to firm opening and downward thereafter.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed an upward trade initially following almost steady opening. Speculative buying at the lower level pushed up the futures at the early hours of the trade but remained mostly range bound thereafter. The February contract traded in the range of 1735.00-1755.00, while the March contract fluctuated in the range of 1772.00-1804.00. At the spot markets guar seed was quoted slightly lower at Rs. 1815 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a higher price of Rs 1700 per quintal, while at the Nokha market it was available at a higher price of Rs 1640 per quintal. At the Sriganganagar and Shiwani market it was offered at an unchanged price of Rs 1600 and Rs 1660 per quintal respectively during Friday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed an upward trade following a steady opening. Speculative buying influenced the futures to move up to a much higher level initially but traded on an average range bound thereafter. The February contract traded in the range of 4416.00-4462.00, while the March contract fluctuated in the range of 4533.00-4590.00. At the spot markets guar gum was quoted steady at Rs 4600 per quintal in Jodhpur market at the evening session of trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed a range bound movement with the mixed sentiments during Friday's trade. The arrivals at the major physical markets are reported to be lower at around 8000-10000 bags. Since, the market activity used to remain limited at the higher price levels, the prices of guar was quoted on an average range bound for the past few days. However, the demand remained higher at the lower price levels. Moreover, the moderately upward trade at the futures market has also supported the physical market sentiments. Amidst such situations, the prices of guar seed as well as guar gum are expected to trade moderately upwards initially following a steady to firm opening and downward thereafter.

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

(Rs./quintal)

Commodity	Centres	17.02.06	16.02.06	Change
	Bikaner	1700	1685	+15
Guar Seed	Jodhpur-B line	1815	1820	-5
	Jodhpur-M line	1790	1795	-5
	Nokha	1640	1630	+10
	Sriganganagar	1600	1600	-
	Shiwani	1660	1660	-
Guar Gum	Jodhpur	4600	4600	-

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	349.70	349.00	351.30	+1.60

#### Price Movements at Bikaner Vayda

The Bikaner vayda witnessed on an average an upward trade following a almost steady opening. The March contract settled higher in final action on increased buying support at the lower levels during Friday's trade.

### WEATHER HIGHLIGHTS (17-02-06)

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

Largely dry weather is likely over the region. Isolated to scattered rain/snow likely over Jammu & Kashmir and Himachal Pradesh.

#### 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.

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