

GUAR SEED and GUAR GUM

February 10, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Firm Sentiment
- Guar Futures: Settled Higher on Moderate Buying

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to firm opening
MACD: Slightly bullish, started moving upwards
Stochastic: Slightly bearish, moving downwards in normal region
Overall: Slightly bullish

Market Outlook:

The guar seed futures are likely to trade moderately upwards following a steady to firm opening with possibility of some downward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	1725	1717	1745	1754
Mar.	1764	1755	1790	1800

Intraday Trade Recommendations:

Buy March Guar Seed near 1770 with **target** of 1785, then 1795. **Stop loss** at 1762.

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: Slightly bullish, started moving upwards
Stochastic: Slightly bullish, moving upwards in normal region
Overall: Slightly bullish

Market Outlook:

The guar gum futures are likely to trade moderately upwards following a steady to firm opening with possibility of some downward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Feb.	4406	4385	4477	4499
Mar.	4533	4504	4607	4634

Intraday Trade Recommendations:

Buy March Guar Gum near 4550 with **target** of 4580, then 4600. **Stop loss** at 4535.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed and gum futures settled higher near to the day's high on moderate buying support.

Arrivals at the major markets reported to be lower at around 11000-12000 bags.

Prices are likely to move moderately upwards following a steady to firm opening with possibility of some downward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a slightly upward trade following a steady opening, but turned southwards on increased selling at higher levels. However, the future recovered back again with moderate buying support at the lower levels and finished with some advances. The February future traded in the range of 1723.00-1735.00, while the March future traded in the range of 1762.00-1776.00. At the spot markets the price of guar seed was quoted higher at Rs 1810 per quintal in Jodhpur market at the evening session of trade. At the Bikaner market it was traded at a higher price of Rs 1695 per quintal, while at the Nokha market it was available at a higher price of Rs 1625 per quintal. At the Sriganganagar market it was offered at an unchanged price of Rs 1595 per quintal, while at the Shiwani market it was quoted steady at Rs 1650 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a slight upward trade following a firm opening initially and downward thereafter on increased selling interest at the higher levels. However, the futures found buying support at lower levels and finished higher near to the day's high in final action. The February future traded in the range of 4420.00-4447.00, while the March future traded in the range of 4527.00-4565.00. At the spot markets guar gum was quoted higher at Rs 4550-4575 per quintal in Jodhpur market at the evening session of trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a steady to firm sentiment during Thursday's trade. The prices of guar seed as well as guar gum were quoted mostly higher as against Wednesday. The arrivals at the major physical markets are reported to be lower at around 11000-12000 bags. Despite a higher demand from stockists, millers and export houses along with lower arrivals, the prices of guar has failed to show any significant volatility in the recent time. Traders attributed the range bound movement in guar prices at the physical markets to weak demand at the higher price levels. However, moderate uptrend at the futures market has underpinned the moderately upward trade at the physical markets. Amidst such situations, the prices of guar seed as well as guar gum futures are expected to move moderately upwards following a steady to firm opening with possibility of some downward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	09.02.06	08.02.06	Change
	Bikaner	1695	1685	+10
Guar Seed	Jodhpur-B line	1810	1800	+10
	Jodhpur-M line	1785	1775	+10
	Nokha	1625	1610	+15
	Sriganganagar	1595	1595	-
	Shiwani	1650	1650	-
Guar Gum	Jodhpur	4550-4575	4550	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	347.50	348.20	348.90	+1.40

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a moderately upward trade following a firm opening. The March future finished higher near to the day's high on moderate buying support at the lower levels.

WEATHER HIGHLIGHTS (09-02-06)

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

Weather will be mainly dry over the region

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

Weather will be mainly dry over the region.

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