

GUAR SEED and GUAR GUM

February 07, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Moderately Firm on Higher Demand
- Guar Futures: Managed to Settle with Moderate Gains

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

The guar seed futures are likely to trade slightly downward 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
Feb.	1729	1719	1748	1758
Mar.	1765	1754	1788	1799

Intraday Trade Recommendations:

Buy March Guar Seed near 1765 with **target** of 1780, then 1790. **Stop loss** at 1757.

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: Moving upwards in normal region
Overall: Slightly bearish

Market Outlook:

The guar gum futures are likely to trade slightly downward 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.	4412	4391	4479	4497
Mar.	4517	4490	4596	4630

Intraday Trade Recommendations:

Buy March Guar Gum near 4540 with **target** of 4570, then 4590. **Stop loss** at 4525.

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 moderate gains.

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

Prices are likely to move slightly downward initially following a steady to firm opening and upward thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed a moderately upward trade following a firm opening. Profit booking capped further advances, but the futures managed to settle with some gains on moderate buying support at the lower levels. The February future traded in the range of 1722.00-1740.00, while the March future fluctuated in the range of 1761.00-1781.00. At the spot markets 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 offered at a higher price of Rs 1690 per quintal, while at the Nokha market it was available at a marginally higher price of Rs 1610 per quintal. At the Sriganganagar market it was traded at Rs 1595 per quintal, while at the Shiwani market it was quoted unchanged at Rs 1650 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a moderately upward trade after a higher opening. The futures managed to finish with some advances on moderate buying support at the lower levels after profit booking capped further advances. The February future traded in the range of 4426.00-4460.00, while March future hovered in the range of 4532.00-4582.00. At the spot markets guar gum was quoted higher at Rs 4550 per quintal in Jodhpur market at the evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average a firm sentiment at the start of this week. The prices of both the guar seed as well as guar gum were quoted steady to firm as against Saturday. The arrivals at the major physical markets are reported to be steady at around 12000-13000 bags at the weekend. With a lower arrivals couple with increased demand from the stockist as well as millers, the prices of guar at the physical markets were quoted mostly higher. Export houses are buying guar gum at the present lower levels for last few days. Moreover, the moderately upward trade at the futures market has also supported the physical market sentiments. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to move slightly downward initially following a steady to firm opening and upward thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	06.02.06	04.02.06	Change
	Bikaner	1690	1680	+10
Guar Seed	Jodhpur-B line	1810	1800	+10
	Jodhpur-M line	1785	1775	+10
	Nokha	1610	1605	+5
	Sriganganagar	1595	1590	+5
	Shiwani	1650	1650	-
Guar Gum	Jodhpur	4550	4525	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
Mar.	347.80	348.50	348.70	+0.90

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed a moderately bullish sentiment following a higher opening during Monday's trade. The March future settled with moderate gains on some buying support at the lower levels.

WEATHER HIGHLIGHTS (06-02-06)

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

Rain/snow likely at a few places over higher reaches of Jammu & Kashmir and isolated over rest Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Weather will be mainly dry over the rest region.

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

Weather will be mainly dry over the region.

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