

GUAR SEED and GUAR GUM

April 04, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Range Bound Sentiments
- Guar Futures: Gains: Settled Higher near Day's High

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

The guar seed futures are likely to trade downwards initially following a steady to firm opening with possibility of some upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	1775	1760	1850	1866
May	1817	1796	1926	1943

Intraday Trade Recommendations:

Buy NCDEX- May Guar Seed near 1865 with **target** of near 1895, then near 1910 **Stop loss** at near 1850.

Do not carry forward the position until the next day.

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



Chart Indicators:

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

Market Outlook:

The guar gum futures are likely to trade downwards initially following a steady to firm opening with possibility of some upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	4600	4555	4840	4883
May	4700	4652	4943	4987

Intraday Trade Recommendations:

Buy NCDEX- May Guar Gum near 4800 with **target** of near 4870, then near 4905. **Stop loss** at near 4765.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures traded at some higher levels on increased buying support.

Arrivals at the major markets reported to be steady at the lower side.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed moderately upwards trade on increased buying interest following a firm opening. The futures mostly ran into buying support throughout the day. Finally the futures settled higher near day's high with gains. The near month April contract traded in the range of 1802.00-1826.00, while the May contract fluctuated in the range of 1845.00-1884.00. At the spot markets guar seed was quoted at Rs.1870 per quintal in Jodhpur market during evening session of the trade. The markets of Rajasthan witnessed some higher prices due to implementation of 4% VAT on guar. At the Bikaner market it was offered at Rs 1770 per quintal, whereas, at the Shiwani market it was offered at Rs.1715 and Sriganaganagar market it was available at Rs 1680 per quintal during Monday's trade. The Nokha market remained closed.

GUAR GUM:

The guar gum futures at the NCDEX traded moderately higher levels on increased buying interest following a firm opening. Increased buying activities throughout the day supported the futures. The futures settled higher near day's high in final action. The near month April contract traded in the range of 4670.00-4750.00, while the May contract fluctuated in the range of 4770.00-4843.00. At the spot markets guar gum was quoted at Rs.4870 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on average range bound sentiments at start of the week. 4% VAT has been implemented in the Rajasthan state on guar seed and guar gum. The mix responses have been witnessed from those markets on VAT. In this scenario, the prices of guar seed as well as guar gum were quoted mostly at range bound. The traders attributed that the introduction of VAT won't affect the demand of guar market. However, arrivals of the guar seed would be the governing factors for coming day's market sentiments. Arrivals of guar seed at major physical markets reported to be steady at lower levels. Moreover, the bullish tone of the futures markets also factorising the physical markets sentiments. Traders are eyeing on the futures market for further direction. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to trade downwards initially following a steady to firm opening with possibility of some upward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	03.04.06	01.04.06	Change
	Bikaner	1770	1715	+55
Guar Seed	Jodhpur-B line	1870	1825-1830	+40
	Jodhpur-M line	1845	1800-1805	+40
	Nokha	Closed	Closed	-
	Sriganaganagar	1680	1600	+80
	Shiwani	1715	1680	+35
Guar Gum	Jodhpur	4880	4675	+205

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	359.80	362.20	363.00	+3.20

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed moderately upwards trade following a much higher opening. Increased buying interest supported the trade throughout the day and reached at some higher levels. Finally the May contract settled much higher with gains during Monday's trade.

WEATHER HIGHLIGHTS (03-04-06)

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

Mainly dry weather is likely over the region. Day temperatures over the region are likely to remain 2-4 °C above normal.

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

Weather will be mainly dry over the region with day temperatures over Rajasthan and interior Maharashtra likely to be above normal by 2-3°.

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