

## GUAR SEED and GUAR GUM

April 25, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Ran on the Bullish Track
- Guar Futures: Lifted on Bellow Normal Rainfall Prediction

### 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:** Bullish, moving upwards to normal region  
**Overall:** Bullish

#### Market Outlook:

The guar seed futures are likely to move moderately upwards following a steady to firm opening with possibility of early downwards movement. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	1930	1919	1990	2004
June	1992	1976	2065	2079

#### Intraday Trade Recommendations:

**Buy** NCDEX- May Guar Seed near 1945 with **target** of near 1970, and then near 1982 **Stop loss** at near 1933.

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:** Bullish, moving upwards to normal region  
**Overall:** Bullish

#### Market Outlook:

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

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	4918	4879	5071	5110
June	5056	5021	5201	5232

#### Intraday Trade Recommendations:

**Buy** NCDEX- May Guar Gum near 4970 with **target** of near 5015, then near 5037. **Stop loss** at near 4948.

Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar futures climbed at much higher level on buying support.

Arrivals at the major markets reported to be steady.

Prices are likely to move moderately upwards following a steady to firm opening with possibility of early downwards movement.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed slightly downwards trade initially on increased selling pressure following a weak opening. However, increased buying interest at lower levels supported the futures and reached much higher. Buyers were motivated on the IMD's prediction of bellow normal S.W. monsoon for 2006. The futures settled higher near day's high in final action. The near month May contract traded in the range of 1910.00-1972.00, while the June contract fluctuated in the range of 1965.00-2042.00. At the spot markets guar seed was quoted much higher at Rs.2000 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered much higher at Rs.1890 per quintal, at the Nokha market, it was offered higher too at Rs.1830 per quintal. At Sriganganagar market it was offered very higher in the range of Rs.1887-1897 and at Shiwani market also it was quoted higher at Rs.1825 per quintal during Monday's trade.

#### GUAR GUM:

The guar gum futures at the NCDEX traded much higher following a weak opening. However, increased buying activities at the lower levels lofted the futures at higher levels. The near month May contract traded in the range of 4855.00-5020.00, while the June contract fluctuated in the range of 4980.00-5040.00. At the spot markets guar gum was quoted higher at Rs.5044 per quintal in Jodhpur market during evening session of the trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar physical markets found its bullish track again during Monday's trade following some bearish trading sentiments for last couples of days. The guar seed as well as guar gum mostly traded at much higher prices as against previous day in the different spots markets of the country due to the increased interest of buyers after coming the IMD's projection that monsoon rains during the June to September period are likely to be below normal. The prediction of Lower production due to bellow normal rainfall lifted the prices. Higher demand even at upper price levels amidst steady to lower arrivals mainly factorising spot market's tone. Moreover bullish sentiments of the futures market had also underpinned spot markets sentiments. According to the traders the market will remain bullish in near futures. In such circumstances; the prices of guar seed as well as guar gum are expected to move moderately upwards following a steady to firm opening with possibility of early downwards movement.

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

(Rs./quintal)

Commodity	Centres	24.04.06	22.04.06	Change
	Bikaner	1890	1840	+50
Guar Seed	Jodhpur-B line	2000	1960-1970	+30
	Jodhpur-M line	1975	1935-1945	+30
	Nokha	1830	1800	+30
	Sriganganagar	1887-1897	1830	+67
	Shiwani	1825	1800	+25
Guar Gum	Jodhpur	5044	4940	+104

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	373.00	372.60	380.00	+7.00

#### Price Movements at Bikaner Vayda

Bikaner market witnessed moderately upwards trade following a weak opening. Increased buying interest at lower levels supported the futures and reached at very higher levels. Finally, the May contracts settled higher near day's high with gains during Monday's trade.

### WEATHER HIGHLIGHTS (24-04-06)

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

Isolated rain/thundershowers are likely over Himachal Pradesh and Uttranchal. Isolated duststorm/thunderstorm may also occur over Punjab, Haryana, Chandigarh, Delhi and West Uttar Pradesh. Mainly dry weather is likely over Jammu & Kashmir.

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

Isolated duststorm/thunderstorm are likely over Rajasthan. Weather will be mainly dry over the rest region. Day temperatures in Rajasthan are likely to increase with possibility of heat wave over some areas.

#### South west Monsoon Forecasting for 2006:

IMD's operational Long Range Forecast for the 2006 South-west Monsoon season (June-September) is that the rainfall for the country as a whole is likely to be 93% of the Long Period Average (LPA) with a model error of  $\pm 5\%$ .

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