

GUAR SEED and GUAR GUM

May 01, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Lower Demand at Higher Prices
- Guar Futures: Profit Booking Capped Early Gains

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Slightly bearish, possibility of technical correction from over bought region
Overall: Trend reversal

Market Outlook:

The guar seed futures are likely to move slightly downwards initially following a steady to weak opening and some upwards movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	1994	1972	2067	2081
June	2071	2050	2167	2190

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2085 with **target** of near 2120, and then near 2137 **Stop loss** at near 2068.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Trend reversal, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Slightly bearish, possibility of technical correction from over bought region
Overall: Trend reversal

Market Outlook:

The guar gum futures are likely to trade slightly downwards initially following a steady to weak opening and some upwards movement later. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5065	5018	5247	5285
June	5229	5178	5424	5484

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5260 with **target** of near 5310, then near 5335. **Stop loss** at near 5235.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled at negative territory with losses.

Arrivals at the major markets reported to be steady.

Prices are likely to move slightly downwards initially following a steady to weak opening and some upwards movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upwards trade initially following a weak opening. However, increased profit booking interest at higher levels pushed down the futures and traded at lower levels thereafter. Finally the futures settled at negative territory with some losses. The near month May contract traded in the range of 2011.00-2053.00, while the June contract fluctuated in the range of 2096.00-2154.00. At the spot markets guar seed was quoted lower at Rs.2050 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was offered lower in the range of Rs.1960-1970 per quintal, at the Nokha market, it was offered lower at Rs.1900 per quintal. At Sriganganagar market it was offered lower at Rs.1930 per quintal, at Shiwani market also it was quoted lower at Rs.1880 per quintal during Saturday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded slightly upwards initially following a much higher opening. However, increased profit-booking interest at the higher levels pressurised the futures and traded downwards thereafter. The futures settled at negative territory with losses in the final action. The near month May contract traded in the range of 5115.00-5230.00, while the June contract fluctuated in the range of 5285.00-5430.00. At the spot markets guar gum was quoted lower at Rs.5200 per quintal in Jodhpur market during Saturday's trade.

PHYSICAL MARKET SENTIMENTS:

The sentiments on guar in the physical markets turned towards bearish during weekend following much higher prices during last couples of days. The guar seed as well as guar gum mostly traded at lower prices in different spots markets of the country. Bearish tone of the futures market due to profit booking activities at the higher levels pressurised the physical market sentiments. However, the overall market sentiments in the domestic spot markets of guar are strong. Traders attributed somewhat lower demand at the higher price levels during the weekend. Some of the spot markets reported unwillingness of the millers to purchase guar seed at the higher levels. Stockists did not release their stocks. Some of the traders attributed that prices would be fluctuating at the higher levels. But, the overall sentiment in the market is strong. In such circumstances; the prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to weak opening and some upwards movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	29.04.06	28.04.06	Change
	Bikaner	1960-1970	1990	-30
Guar Seed	Jodhpur-B line	2050	2100	-50
	Jodhpur-M line	2025	2075	-50
	Nokha	1900	1924	-24
	Sriganganagar	1930	1960	-30
	Shiwani	1880	1890	-10
Guar Gum	Jodhpur	5200	5252	-52

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	393.40			

Price Movements at Bikaner Vayda

Bikaner market remains closed during weekend.

WEATHER HIGHLIGHTS (29-04-06)

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

Isolated to scattered rain/thundershowers with isolated squall likely over Jammu & Kashmir and Himachal Pradesh. Isolated duststorm/thunderstorm may also occur over Punjab, Haryana, Chandigarh, Delhi and West Uttar Pradesh.

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

Weather will be mainly dry over the region. However, isolated duststorm may occur over Rajasthan. Day temperatures in Rajasthan are likely to remain between 40 to 44°C. Heat wave likely over some more areas of Rajasthan.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd