

GUAR SEED and GUAR GUM

April 24, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Turned Towards Weak Tone
- Guar Futures: Profit Booking Interest capped Progress

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Slightly bearish, moving downwards to oversold region
Overall: Slightly bearish

Market Outlook:

The guar seed futures are likely to move downwards initially following a steady to firm opening and upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|----------|--------|--------|-------|-------|
| May | 1892 | 1880 | 1960 | 1973 |
| June | 1959 | 1948 | 2030 | 2045 |

Intraday Trade Recommendations:

Buy NCDEX- May Guar Seed near 1910 with **target** of near 1940, and then near 1955 **Stop loss** at near 1895.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving towards oversold region
Overall: Slightly bearish

Market Outlook:

The guar gum futures are likely to move downwards initially following a steady to firm opening and upward movement later. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

| Contract | Supp 1 | Supp 2 | Res 1 | Res 2 |
|----------|--------|--------|-------|-------|
| May | 4852 | 4817 | 4990 | 5035 |
| June | 4970 | 4927 | 5150 | 5181 |

Intraday Trade Recommendations:

Buy NCDEX- May Guar Gum near 4858 with **target** of near 4903, then near 4925. **Stop loss** at near 4836.

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 at lower levels.

Prices are likely to move downwards initially following a steady to firm opening and upward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upwards trade initially on increased buying support following a firm opening. However increased profit making interest at higher levels pressurised the futures and traded downwards thereafter. Finally the futures settled lower near day's low with losses. The near month May contract traded in the range of 1917.00-1950.00, while the June contract fluctuated in the range of 1975.00-2007.00. At the spot markets guar seed was quoted lower at Rs.1960-1970 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was offered lower at Rs.1840 per quintal, at the Nokha market, it was offered lower too at Rs.1800 per quintal. At Sriganganagar market it was offered lower at Rs.1830 and at Shiwani market also it was quoted lower at Rs.1800 per quintal during Saturday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed upwards trade initially following a firm opening. However, increased profit booking activities at the higher levels pressurise the futures and traded downwards thereafter. The futures settled at negative territory with losses. The near month May contract traded in the range of 4881.00-4968.00, while the June contract fluctuated in the range of 5008.00-5080.00. At the spot markets guar gum was quoted lower at Rs.4940 per quintal in Jodhpur market during Saturday's trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets turned to weak tone during Saturday's trade. The guar seed as well as guar gum mostly traded at lower prices as against previous day in the different spots markets of the country. Lower demand at higher prices confined the market in bearish tone. Lower demand amidst steady to lower arrivals mainly factorising spot market's tone. Moreover bearish sentiments of the futures market had also influenced spot markets sentiments. The total arrivals reported to 4000-4500 bags. The arrivals were mostly coming from godowns. Millers were remained the prominent buyers. Farmers as well as stockists were not in the mood of releasing their stocks. They have been looking at coming futures with the expectation of increase in prices. According to the traders the market will bullish again in near futures. In such circumstances; the prices of guar seed as well as guar gum are expected to move downwards initially following a steady to firm opening and upward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

| Commodity | Centres | 22.04.06 | 21.04.06 | Change |
|-----------|----------------|-----------|-----------|--------|
| | Bikaner | 1840 | 1846-1860 | -6 |
| Guar Seed | Jodhpur-B line | 1960-1970 | 1975 | -5 |
| | Jodhpur-M line | 1935-1945 | 1950 | -5 |
| | Nokha | 1800 | 1820 | -20 |
| | Sriganganagar | 1830 | 1850-1860 | -20 |
| | Shiwani | 1800 | 1818 | -18 |
| Guar Gum | Jodhpur | 4940 | 4966-4992 | -26 |

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

| Contract | Prev. Close | Open | Close | Change |
|----------|-------------|--------|--------|--------|
| May | 375.50 | 376.20 | 373.00 | -2.50 |

Price Movements at Bikaner Vayda

Bikaner market witnessed upwards trade initially on increased buying following a firm opening. However, increased selling interest at higher levels pressurised the futures and cut down the early advances. Finally, the May contracts settled at negative territory with losses during weekend.

WEATHER HIGHLIGHTS (22-04-06)

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

Isolated rain/thundershowers are likely over Jammu & Kashmir and Himachal Pradesh. Mainly dry weather is likely over the rest region.

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

Isolated rain/thunderstorm likely over Marathwada and south Konkan & Goa. Weather will be mainly dry over the rest region..

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