

GUAR SEED and GUAR GUM

April 06, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remained Bullish on Demand
- Guar Futures: Profit Booking Curbed Early Zoom

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Bullish, moving upwards in overbought region
Overall: Bearish

Market Outlook:

The guar seed futures are likely to trade moderately downwards following a steady to weak opening with possibility of some early upward movement. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	1818	1802	1894	1910
May	1853	1826	1980	2001

Intraday Trade Recommendations:

Sell NCDEX- May Guar Seed near 1928 with **target** of near 1893, and then near 1875 **Stop loss** at near 1946.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Trend reversal, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Bullish, moving upwards in overbought region
Overall: Bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	4688	4636	4936	4978
May	4795	4750	5052	5100

Intraday Trade Recommendations:

Sell NCDEX- May Guar Gum near 4980 with **target** of near 4900, then near 4860. **Stop loss** at near 5020.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures reached at very higher levels initially followed by downwards trade on profit booking.

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

Prices are likely to move moderately downwards following a steady to weak opening with possibility of some early upward movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX Surged up initially on increased buying support following a firm opening. The futures mostly ran into buying support most of the day. However, profit-booking interest curbed some of the early advances at the last part of the session. The futures managed to settle at positive territory with marginal gains. The near month April contract traded in the range of 1851.00-1885.00, while the May contract fluctuated in the range of 1916.00-1958.00. At the spot markets guar seed was quoted steady at Rs.1910 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher at Rs 1820 per quintal, at the Shiwani market it was offered at Rs.1750 and Sriganaganagar market it was available at Rs 1815 per quintal, whereas at Nokha market it was quoted at Rs.1768 per quintal during Wednesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded much higher initially on increased buying interest following a firm opening. Increased buying activities most of the day supported the futures. However profit booking at higher levels capped early advances of the futures. Finally, the futures managed to settle at positive territory with marginal gains. The near month April contract traded in the range of 4810.00-4912.00, while the May contract fluctuated in the range of 4931.00-5030.00. At the spot markets guar gum was quoted higher at Rs.4960 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained at bullish tone. The guar seed as well as guar gum mostly traded at some higher levels on increased demand against lower arrivals. Traders attributed the increased demand due to profit making interest of stockist in near future, as they are optimistic about further bullish tone in the market. Miller's also active buyers. However, arrivals of the guar seed would be the governing factors for coming day's market sentiments. Moreover, the bullish tone of the futures markets also underpinning 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 moderately downwards following a steady to weak opening with possibility of some early upward movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	05.04.06	03.04.06	Change
	Bikaner	1820	1770	+50
Guar Seed	Jodhpur-B line	1910	1870	+40
	Jodhpur-M line	1885	1845	+40
	Nokha	1768	Closed	-
	Sriganaganagar	1815	1680	+135
	Shiwani	1750	1715	+35
Guar Gum	Jodhpur	4940	4880	+60

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	369.60	370.70	370.40	+0.80

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed moderately upwards trade following a higher opening. Increased buying interest supported the trade throughout the day and reached at some higher levels. Finally profit-booking interest curbed early advances and the May contract settled with marginal gains during Wednesday's trade.

WEATHER HIGHLIGHTS (05-04-06)

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 increase in day temperatures.

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