

GUAR SEED and GUAR GUM

April 11, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Sharply Higher Trading
- Guar Futures: Gains: Reached at Life Time High

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards in overbought region, possibility of technical correction.
Overall: Bullish

Market Outlook:

The guar seed futures are likely to move upwards initially following a firm opening and downward movement thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	1860	1850	1920	1933
May	1935	1921	2025	2038

Intraday Trade Recommendations:

Risk lover might be taken position: Sell NCDEX- May Guar Seed near 2000 with **target** of near 1960, and then near 1940 **Stop loss** at near 2020.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards in overbought region, possibility of technical correction.
Overall: Bullish

Market Outlook:

The guar gum futures are likely to trade upwards initially following a firm opening and downward movement thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	4861	4791	5118	5170
May	4979	4914	5225	5286

Intraday Trade Recommendations:

Risk lover might be taken position: Sell NCDEX- May Guar Gum near 5180 with **target** of near 5100, then near 5060. **Stop loss** at near 5220.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures traded sharply higher on increased speculative buying.

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

Prices are likely to move upwards initially following a firm opening and downward movement thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed sharply upwards trade following a firm opening. Increased speculative buying mostly supported the futures throughout the day. The futures reached much higher and tested lifetime high. Finally the futures settled near day's high with huge gains. The near month April contract traded in the range of 1849.00-1905.00, while the May contract fluctuated in the range of 1911.00-1988.00. At the spot markets guar seed was quoted higher at Rs.1970 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher at Rs 1870 per quintal, at the Nolha market, Sriganganagar market and Shiwani market it was also offered higher at Rs.1800, 1900 and 1810 per quintal respectively during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed highly upwards trade on increased speculative buying interest following a firm opening. Increased buying activities supported the futures through out the day. The futures with huge volumes of the trade reached much higher and tested lifetime high. Finally the futures settled higher near day's high with huge gains. The near month April contract traded in the range of 4800.00-4978.00, while the May contract fluctuated in the range of 4854.00-5108.00. At the spot markets guar gum was quoted lower at Rs.4900 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on an average highly bullish sentiment during Monday's trade. The guar seed as well as guar gum mostly traded at sharply higher levels in all of the markets. The arrivals at the major markets reported to be steady at lower levels. Lower arrivals coupled with increased demand mostly factorising the market tone. According to the traders the arrivals of the guar seed would be the governing factors for coming day's market sentiments. Stockist reportedly not releasing their stock. Moreover, the highly bullish tone of the futures markets also underpinning the physical markets sentiments. Traders have been looking on the futures market for further direction in this context. They attributed that prices of guar would increase further on fresh demand from stockist as well as millers. Amidst such circumstances, the prices of guar seed as well as guar gum are expected to trade upwards initially following a firm opening and downward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	09.04.06	08.04.06	Change
	Bikaner	1870	1820	+50
Guar Seed	Jodhpur-B line	1970	1930-1940	+30
	Jodhpur-M line	1945	1905-1915	+30
	Nokha	1800	1747	+53
	Sriganganagar	1900	1747	+153
	Shiwani	1810	1750	+60
Guar Gum	Jodhpur	5000	4947	+53

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	371.60	373.00	380.20	+8.60

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed highly upwards trade following a firm opening. Increased buying activities supported the trade throughout the day and reached much higher. Finally the May contract settled at day's high with huge gains during Monday's trade.

WEATHER HIGHLIGHTS (10-04-06)

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

Rain/snow is likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh & Uttaranchal. Mainly dry weather over the rest region. The day temperatures over the region are likely to decrease.

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

Weather will be mainly dry over the region. Day temperatures over Rajasthan and Gujarat are likely to fall.

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