

GUAR SEED and GUAR GUM

April 19, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Sentiments Turned Weak
- Guar Futures: Selling Pressure Slids to Lower Levels

TECHNICAL ANALYSIS

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

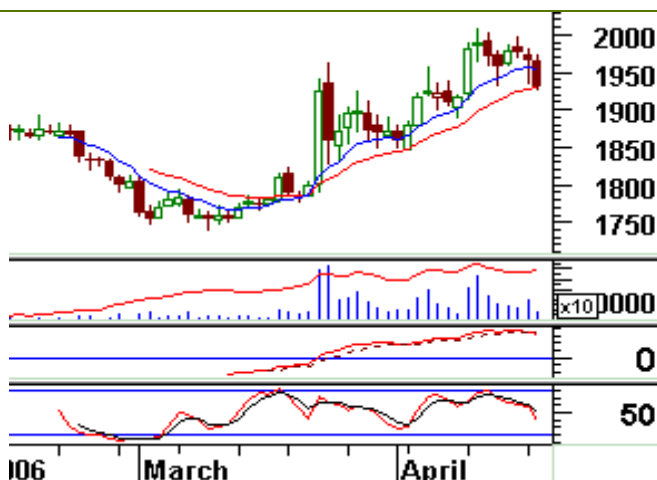


Chart Indicators:

Candlesticks: Moderately Bearish, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving downwards in normal region.
Overall: 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
Apr.	1834	1823	1890	1905
May	1888	1875	1974	1990

Intraday Trade Recommendations:

Sell NCDEX- May Guar Seed near 1942 with **target** of near 1907, and then near 1890 **Stop loss** at near 1960.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Moderately Bearish, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bearish, moving downwards in normal region.
Overall: 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
Apr.	4750	4696	4915	4961
May	4887	4840	5094	5141

Intraday Trade Recommendations:

Sell NCDEX- May Guar Gum near 5025 with **target** of near 4975, then near 4950. **Stop loss** at near 5050.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures slid to lower levels and settled near day's low.

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 a moderately downward trade on increased selling pressure following a firm opening. Profit making motives dominated the futures throughout the day and slids to very lower levels. Finally the futures settled much lower near day's low. The near-month April contract traded in the range of 1867.00-1914.00, while the May contract fluctuated in the range of 1924.00-1973.00. At the spot markets guar seed was quoted lower at Rs. 1975-1980 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered lower in the range of Rs.1860-1870 per quintal, at the Nokha market, it was offered lower in the range of Rs.1820-1830 per quintal. At Sriganaganagar market it was also offered lower at Rs.1860 and at Shiwani market it was quoted also lower at Rs1820 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed a downward trade initially following a firm opening. Increased selling pressure pushed down the futures at much lower levels. The futures settled lower near day's low in final action. The near-month April contract traded in the range of 4841.00-4975.00, while the May contract fluctuated in the range of 4971.00-5120.00. At the spot markets guar gum was quoted lower at Rs.4992-5018 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets turned weak during Tuesday's trade. The guar seed as well as guar gum mostly traded at lower prices in the spots markets of the country. Lower demand at higher prices coupled with steady arrivals at lower levels governing market sentiments. Moreover Bearish tone of the futures market also underpinning spot markets sentiments. The total arrivals reported to 4000-4500 bags. Millers were the prominent buyers at lower price levels. Stockists have been waiting for further increase of guar seed prices so that they could release their stock. According to the traders the arrivals of the guar seed would be the governing factors for upcoming market tone. Traders have been eyeing on futures market for further decision. They attributed the weak sentiments remained in the market for couples of days. However, they are optimistic about the bullish tone of guar would prevailed again. 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	18.04.06	17.04.06	Change
	Bikaner	1860-1870	1881-1892	-21
Guar Seed	Jodhpur-B line	1975-1980	1980	-5
	Jodhpur-M line	1950-1955	1955	-5
	Nokha	1820-1830	1840	-20
	Sriganaganagar	1860	1887	-27
	Shiwani	1820	1830	-10
Guar Gum	Jodhpur	4992-5018	5058	-66

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	379.70	379.80	375.40	-4.30

Price Movements at Bikaner Vayda

Bikaner market witnessed upwards trade initially on increased buying support following a lower opening. However, increased profit making interest at higher levels pushed down the futures and slids to very lower levels. Finally, the May contracts settled lower at day's low with losses during Tuesday's trade.

WEATHER HIGHLIGHTS (18-04-06)

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

Isolated rain/thundershowers are likely over Jammu & Kashmir, Himachal Pradesh, Uttaranchal and West Uttar Pradesh during next 24 hrs. with mainly dry weather thereafter. Generally dry weather is likely over Haryana and Punjab during next 3 days.

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

Weather will be mainly dry over the region. The day temperatures over the region are 2-4 deg. C below normal which are likely to increase.

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