

GUAR SEED and GUAR GUM

April 03, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Bearish Sentiments
- Guar Futures: Settled Lower near Day's Low at Weekend

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	1764	1750	1838	1854
May	1811	1789	1906	1922

Intraday Trade Recommendations:

Sell NCDEX- April Guar Seed near 1805 with **target** of 1775, then 1760 **Stop loss** at 1820.

Do not carry forward the position until the next day.

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



Chart Indicators:

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

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	4540	4502	4770	4810
May	4690	4645	4884	4929

Intraday Trade Recommendations:

Sell NCDEX- April Guar Gum near 4700 with **target** of 4640, then 4610. **Stop loss** at 4730.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures slid to lower levels on buying pressure.

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

Prices are likely to move downwards initially following a steady to weak opening with possibility of upward movement later.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed moderately downwards trade on increased selling interest following a firm opening. The futures mostly ran into selling pressure throughout the day and settled lower near days' low with some losses in final session. The near month April contract traded in the range of 1793.00-1821.00, while the May contract fluctuated in the range of 1846.00-1879.00. At the spot markets guar seed was quoted lower in the range of Rs.1825-1830 per quintal in Jodhpur market during morning session of the Saturday's trade. At the Bikaner market it was offered lower at Rs 1715 per quintal, whereas, at the Shiwani market it was offered at the steady price too at Rs.1680 and Sriganganagar market it was available at a lower price of Rs 1600 per quintal during Saturday's trade. The Nokha market remained closed.

GUAR GUM:

The guar gum futures at the NCDEX slid to much lower levels initially on increased selling pressure following a higher opening. However, some buying activities recovered the futures from some of the early losses at later but the futures settled at negative territory with losses in final action. The near month April contract traded in the range of 4635.00-4721.00, while the May contract fluctuated in the range of 4750.00-4821.00. At the spot markets guar gum was quoted lower at Rs.4675 per quintal in Jodhpur market during morning session of Saturday's trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets witnessed on average bearish sentiments at weekend. The prices of guar seed as well as guar gum were quoted mostly at lower prices on falling demand particularly at higher price levels. It is in news that VAT on guar seed has introduced on Rajasthan state. Traders from Rajasthan markets attributed increase in guar seed price due to VAT. They were also optimistic that the introduction of VAT won't affect the guar market. However, arrivals of the guar seed would be the governing factors for coming day's market sentiments. Arrivals of guar seed at major physical markets reported to be steady at lower levels. Moreover, the bearish 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 trade downwards initially following a steady to weak opening with possibility of upward movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	01.04.06	31.03.06	Change
	Bikaner	1715	1725	-10
Guar Seed	Jodhpur-B line	1825-1830	1830-1835	-5
	Jodhpur-M line	1800-1805	1805-1810	-5
	Nokha	Closed	Closed	-
	Sriganganagar	1600	1605	-5
	Shiwani	1680	1680	-
Guar Gum	Jodhpur	4675	4700	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	362.80	359.50	359.80	-3.00

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed some upwards trade initially following a much lower opening. However, increased selling pressure at higher levels pushed down the futures at significantly lower levels. Finally the May contract settled lower near day's low with some losses at weekend.

WEATHER HIGHLIGHTS (01-04-06)

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

Rain/snow is likely at a few places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers likely over Punjab and Haryana, Chandigarh & Delhi. Mainly dry weather is likely over the region from 3rd onwards.

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

Weather will be mainly dry over the region with mainly sunny days and increase in temperatures outside north Rajasthan where isolated rain/thundershowers is likely

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