

GUAR SEED and GUAR GUM

April 28, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Retraced Back From Early Slump
- Guar Futures: Tested Fresh Contract Months' High

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Slightly bullish, moving upwards
Stochastic: Slightly bearish, possibility of technical correction from over bought region
Overall: Slightly Bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	1964	1946	2050	2062
June	2044	2026	2147	2163

Intraday Trade Recommendations:

Sell NCDEX- May Guar Seed near 2025 with **target** of near 1985, and then near 1965 **Stop loss** at near 2045.

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 firm opening
MACD: Slightly bullish, moving upwards
Stochastic: Slightly bearish, possibility of technical correction from over bought region
Overall: Slightly Bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	4980	4937	5221	5253
June	5164	5125	5402	5437

Intraday Trade Recommendations:

Sell NCDEX- May Guar Gum near 5150 with **target** of near 5100, then near 4975. **Stop loss** at near 5175.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled at much higher with huge gains.

Arrivals at the major markets reported to be steady.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed moderately upwards trade following a firm opening. Increased buying interest supported the futures throughout the day and tested fresh contract months' high. However, increased profit booking interest at the higher levels curbed some of the early gains and the futures settled at positive territory with huge gains. The near month May contract traded in the range of 1954.00-2034.00, while the June contract fluctuated in the range of 2021.00-2127.00. At the spot markets guar seed was quoted higher at Rs.2075 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher in the range of Rs.1940-1950 per quintal, at the Nokha market, it was offered higher at Rs.1883 per quintal. At Sriganaganagar market it was offered higher at Rs.1960 per quintal, at Shiwani market also it was quoted higher at Rs.1850 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded moderately upwards following a firm opening. Increased buying interest supported the futures and tested fresh contract month's high. However, profit-taking activities at higher level capped some of the early gains. Finally the futures settled higher at positive territory with huge gains. The near month May contract traded in the range of 4940.00-5192.00, while the June contract fluctuated in the range of 5060.00-5375.00. At the spot markets guar gum was quoted higher at Rs.5000 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The sentiments on guar in the physical markets found the bullish track again during Thursday's trade following a slump in prices last day. The guar seed as well as guar gum mostly traded at higher prices in different spots markets of the country. Technical corrections as well as the anticipation of bellow normal S.W. monsoon mainly motivated buyers. More, over, highly bullish tone of the futures market underpinning the physical market sentiments. The rising demands even at higher price levels reported from the domestic markets of guar. Stockists did not release their stocks. Millers remain the active buyers. Some of the traders attributed that prices of guar may not increase further. But, the overall sentiment in the market is strong. In such circumstances; the prices of guar seed as well as guar gum are expected to move upwards initially following a steady to firm opening and some downwards movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	27.04.06	26.04.06	Change
	Bikaner	1940-50	1890	+60
Guar Seed	Jodhpur-B line	2075	2000	+75
	Jodhpur-M line	2050	1975	+75
	Nokha	1883	1830-1840	+43
	Sriganganagar	1960	1912	+48
	Shiwani	1850	1830	+20
Guar Gum	Jodhpur	5000	4975	+25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	379.00	381.10	387.90	+8.90

Price Movements at Bikaner Vayda

Bikaner market witnessed moderately upwards trade initially following a higher opening. Increased buying activities supported the futures and traded upwards. Finally, the May contracts settled at positive territory with much gains during Thursday's trade.

WEATHER HIGHLIGHTS (27-04-06)

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

Mainly dry weather is likely over the region outside Jammu & Kashmir and Himachal Pradesh where isolated rain/thundershowers are likely on 30th. Temperatures over Punjab and Haryana are likely to remain between 42-44°C with possibility of heat wave over parts of Haryana and Punjab during next 1-2 days.

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

Weather will be mainly dry over the region. However, isolated duststorm may occur over Rajasthan. Day temperatures in Rajasthan are likely to remain between 41 & 43°C. Heat wave likely over some more areas of Rajasthan.

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