

## GUAR SEED and GUAR GUM

April 17<sup>th</sup> - 22<sup>nd</sup> 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Turned to Slightly Weak in Physical Market
- Guar Futures: Traded at Lower Sides with Mix Tone

### MARKET COMMENTARY OF MAJOR MARKETS

The guar futures at the NCDEX started this week with a bearish note following a weak tone at the previous day. The May futures traded at lower levels comparing to last week with mix sentiments under review. Some profit booking interest at higher levels restricted the futures progress towards north and traded with range bound sentiments at lower levels for rest of the week. The open interest as well as volumes of trade curved downwards under review. The arrivals at the major physical markets were reported to be steady at the lower sides. The steady arrivals coupled with fluctuating demand weaken the guar seed prices in majority of the market in the country. At the Jodhpur market it was quoted lower in the range of Rs 1965-1985 per quintal in this week under review. At the Bikaner market it was offered lower levels also in the range of Rs 1840-1880 per quintal, while at the Nokha market it was traded at Rs.1800-1840 per quintal in this week. At the Sriganganagar market it was available at Rs.1830-1887 per quintal, while at the Shiwani market it was quoted higher in the range of Rs 1800-1830 per quintal during this week under review.

The guar physical markets witnessed steady to bearish sentiments and traded at slightly lower levels in this week under review. Lower demand at higher prices confined the market with bearish tone. The total arrivals reported to 4000-4500 bags. The arrivals were mostly coming from godowns. Millers were remained the prominent buyers. Farmers as well as stockists were not in the mood of releasing their stocks. They have been looking at coming futures with the expectation of increase in prices. Moreover, the lower sentiments at the futures market had also underpinned the physical market sentiments. Traders were attributed that market sentiments would depend on volumes of the arrivals and outlook of weather. Traders are optimistic about the further increase in demand even at the higher price levels. Amidst such situation, the prices of guar seed are expected to witness range bound to somewhat bullish tone in the coming week.

### Spot Market Prices of Guar in Main Markets of Rajasthan (Prices in Rs/qt)

Date	Bikaner	Jodhpur		Nokha
		B line	M line	
15.04.06	1856	1980	1955	1820
22.04.06	1840	1960-1970	1935-1945	1800
Change	-16	-10	-10	-20

### Market Commentary on Guar Gum

The guar gum futures at the NCDEX witnessed on an average a similar sentiment as of the guar seed futures. The guar gum futures traded mostly lower sides on increased profit making interest throughout the week and May contract slid to somewhat lower levels comparing to last week under review.

At the physical markets guar gum was quoted lower in the range of Rs 4940-5058 per quintal in Jodhpur market during this week. The prices of guar gum are expected to witness a downward trade in the first couples of days in the coming week. However, the futures are likely to get supported and may move northwards during the later half of the coming week.

### Price Movement of Guar Seed and Gum at NCDEX (Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
15.04.06	1894.70	1904.45	5106.30
17.04.06	1890.30	1890.65	5056.25
18.04.06	1874.95	1878.55	5046.50
19.04.06	1859.80	1878.25	5043.75
20.04.06	1857.75	1876.80	5019.85
21.04.06	1858.20	1875.15	5009.85
22.04.06	1842.25	1865.65	5001.85
Change	-52.45	-38.80	-104.45

### Guar Seed Futures Prices at NCDEX

Dates	May Contract		June Contract		July Contract	
	Open	Close	Open	Close	Open	Close
15.04.06	1984	1975	2044	2035	2096	2083
17.04.06	1973	1964	2027	2025	2074	2072
18.04.06	1966	1933	2028	1993	2074	2041
19.04.06	1930	1940	1990	1998	2035	2046
20.04.06	1943	1942	2000	2001	2045	2048
21.04.06	1936	1935	1997	1995	2043	2043
22.04.06	1938	1924	1996	1983	2049	2033

## Guar Gum Futures Prices at NCDEX

Dates	May Contract		June Contract		July Contract	
	Open	Close	Open	Close	Open	Close
15.04.06	5134	5099	5240	5207	5325	5317
17.04.06	5100	5080	5200	5185	5320	5300
18.04.06	5115	5004	5225	5105	5295	5211
19.04.06	4974	5010	5150	5121	5230	5238
20.04.06	5020	4999	5112	5114	5237	5222
21.04.06	4975	4933	5103	5054	5190	5171
22.04.06	4945	4890	5060	5016	5220	5129

## WEATHER WATCH (09.04.06)

### ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

#### Weather Outlook

Day temperatures are above 40°C and also above normal by 1-2 °C over Rajasthan, west Madhya Pradesh Vidarbha and parts of Madhya Maharashtra . These warmer temperature region are likely to extend and prevail over northwest & central India during 3-4 days. Most parts of the country are likely to continue experiencing mainly dry weather conditions except south peninsula, northeastern states where isolated to scattered rain/thundershowers may continue to occur during next 3-4 days. Rain/thundershowers with isolated squall are likely at a few places over Punjab and Himachal Pradesh and isolated over Jammu & Kashmir and Uttranchal during next 48 hrs. The prediction continues to suggest for formation of a low-pressure area in the southeast Bay of Bengal in next 48 Hrs.

### NORTH & NORTH-WEST INDIA [J&K, HP, UTTARANCHAL, PUNJAB, HARYANA, DELHI, WEST UP]

Isolated rainfall/thundershower is expected over Jammu & Kashmir , Himachal Pradesh, Panjab and Uttaranchal during next 48 Hrs.

### EAST AND NE INDIA [EAST UP, BIHAR, JHARKHAND, WEST BENGAL, ORISSA, NE STATES]

Isolated to scattered rains are expected over Assam and Sub-himalayan West Bengal. Isolated rain/thundershowers are likely over rest areas of the region except East UP , Bihar and Jharkhand where mainly dry weather may prevail. Slight increase in rainfall activity is likely over NE States during next 3 days.

### CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Mainly dry weather is likely over the region.

### SOUTH INDIA [TAMILNADU, AP, KERALA, KARNATAKA, ANDAMAN & NICOBAR ISLANDS, LAKSHADEEP]

The region is likely to experience isolated rainfall activity during next 4-5 days.

### WEST INDIA [MAHARASHTRA OTHER THAN VIDARBHA, GUJARAT, RAJASTHAN]

Mainly dry weather conditions are likely to prevail.

Source: GOI (NCMRWF & IMD)

## TECHNICAL ANALYSIS

### Commodity: Guar Seed

#### Perspective: Very Short Term (Weekly)

#### NCDEX May Contract

**Candlestick:** Formation of candlestick is showing a slightly bearish sentiment and steady to firm opening.

**Stochastic:** The stochastic is moving downwards to oversold region, Both the %K-line as well as %D-line are moving downward in the oversold region

**MACD:** The MACD (5-day) along with its EMA moving downwards. Showing weakness in the market.

**Alignment pattern:** The alignment pattern of moving averages is supporting the moderately downtrend.

#### Market Outlook:

Guar seed futures are expected to witness a downward trade in the first couples of days in the coming week. However, the futures are likely to get supported and may move northwards during the later half of the coming week.



Commodity: **Guar Gum**

Perspective: Very Short Term (Weekly)

**NCDEX May Contract**

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