

GUAR SEED and GUAR GUM

April 27, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Took U -Turn Towards Weak
- Guar Futures: Turned Down on Speculative selling

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Trend reversal, steady to firm opening
MACD: Bearish, moving downwards
Stochastic: Bullish, moving upwards to over bought region
Overall: Slightly Bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	1930	1919	1976	1988
June	1984	1970	2065	2085

Intraday Trade Recommendations:

Buy NCDEX- May Guar Seed near 1938 with **target** of near 1963, and then near 1975 **Stop loss** at near 1926.

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: Bearish, moving downwards
Stochastic: Bullish, moving upwards to over bought region
Overall: Slightly Bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	4871	4836	5024	5055
June	5025	4985	5158	5193

Intraday Trade Recommendations:

Buy NCDEX- May Guar Gum near 4880 with **target** of near 4920, then near 4940. **Stop loss** at near 4860.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled lower at day's low during Wednesday.

Arrivals at the major markets reported to be steady.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed upwards trade initially on increased buying support following a steady opening. However, increased speculative selling at some higher levels pressurised the futures and slid to very lower levels. Finally the futures settled near day's low with losses. The near month May contract traded in the range of 1950.00-1987.00, while the June contract fluctuated in the range of 2017.00-2062.00. At the spot markets guar seed was quoted lower at Rs.2000 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered steady at Rs.1890 per quintal, at the Nokha market, it was offered steady too in the range of Rs.1830-1840 per quintal. At Sriganganagar market it was offered lower at Rs.1912 per quintal whereas, at Shiwani market it was quoted range bound at Rs.1830 per quintal during Wednesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded upwards initially following a weak opening. However, increased speculative selling activities at the higher levels capped the early advances and pushed down the futures at some lower levels. The May contracts settled at day's low with huge losses in final action. The near month May contract traded in the range of 4925.00-5044.00, while the June contract fluctuated in the range of 5070.00-5195.00. At the spot markets guar gum was quoted much lower at Rs.4975 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The sentiments on guar in the physical markets turned towards steady to bearish during Wednesday's trade following higher trading sentiments during last couples of days. The guar seed as well as guar gum mostly traded at lower prices in different spots markets of the country. Bearish tone of the futures market mainly kept away the buyers in the physical market. The demands were reportedly lower at higher price levels. Stockists have been waiting for increase of prices with the anticipation of lower production due to bellow normal rainfall amidst lower arrivals. But the traders should wait for actual picture of monsoon activity in July as well as IMD's further reports on monsoon. Traders are optimistic about increase in prices of guar in coming futures. According to the traders the market will continued to be bullish in near futures. 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 some upwards movement later.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	26.04.06	25.04.06	Change
	Bikaner	1890	1890-1900	-
Guar Seed	Jodhpur-B line	2000	2010-2020	-10
	Jodhpur-M line	1975	1985-1995	-10
	Nokha	1830-1840	1840	-
	Sriganganagar	1912	1920-1938	-8
	Shiwani	1830	1830	-
Guar Gum	Jodhpur	4975	5096	-121

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	383.10	382.50	379.00	-4.10

Price Movements at Bikaner Vayda

Bikaner market witnessed slightly upwards trade initially following a weak opening. However, increased selling pressure at higher levels turned down the futures at some lower levels. Finally, the May contracts settled at negative territory with losses during Wednesday's trade.

WEATHER HIGHLIGHTS (26-04-06)

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

Mainly dry weather is likely over the region. However, isolated duststorm may occur over Punjab, Haryana, Delhi and West Uttar Pradesh. Temperatures over Punjab and Haryana are likely to remain between 40-42°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/thunderstorm may occur over Rajasthan. Day temperatures in Rajasthan are likely to increase further. Heat wave likely over some more areas of Rajasthan.

South west Monsoon Forecasting for 2006:

IMD's operational Long Range Forecast for the 2006 South-west Monsoon season (June-September) is that the rainfall for the country as a whole is likely to be 93% of the Long Period Average (LPA) with a model error of $\pm 5\%$.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd

