

GUAR SEED and GUAR GUM

April 03rd - 08th 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Traded Higher in Physical Market on Increased Demand
- Guar Futures: Traded Up; Reached Near Contacts' month High

MARKET COMMENTARY OF MAJOR MARKETS

The guar futures at the NCDEX started this week with a bullish note following a downward tone during the last couple of days. The May futures traded upwards and reached higher near contacts month's high on Wednesday under review. But some selling interest pressurised the trade for the rest of the week. However, the May contract settled higher near day's high with some gains at weekend. The open interest of trade remained at higher levels under review. The arrivals at the major physical markets were reported to be steady at the lower sides. The steady arrivals coupled with increased demand pushed up the guar seed prices in majority of the market in the country. At the Jodhpur market it was quoted in a higher range of Rs 1870-1940 per quintal in this week under review. At the Bikaner market it was offered higher levels also in the range of Rs 1770-1820 per quintal, while at the Nokha market it was traded at Rs.1747-1768 per quintal in this week. At the Sriganganagar market it was available at Rs.1680-1815 per quintal, while at the Shiwani market it was quoted higher in the range of Rs 1715-1750 per quintal during this week under review.

The guar physical markets remained bullish and traded higher levels in this week under review. The 4% VAT was implemented on guar in Rajasthan state. There were mixed responses among the traders on implementation of VAT. The prices of guar seed as well as guar gum were quoted higher prices on Tuesday and remained steady during rest of the week. However, stockists were more active buyers than millers even at higher price levels. Moreover, the higher 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. 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 some range bound to bullish movement 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	
01.04.06	1715	1825-1830	1800-1805	Closed
08.04.06	1820	1930-1940	1905-1915	1747
Change	+105	+105	+105	-

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 higher sides on increased buying interest throughout the week and May contract tested contact's months' high on Wednesday under review. However, the futures traded slightly downwards during rest of the week.

At the physical markets guar gum was quoted higher in the range of Rs 4880-4947 per quintal in Jodhpur market during this week. The prices of guar gum are expected to witness an upward trade in the first parts of coming week. However, the futures are likely to get resisted and may move southwards 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
01.04.06	1695.50	1713.30	4672.90
03.04.06	1763.20	1788.15	4871.25
04.04.06	1800.05	1800.45	4875.25
05.04.06	1867.15	1835.80	4975.20
06.04.06	1823.95	1823.35	4931.20
07.04.06	1837.70	1828.55	4927.95
08.04.06	1826.90	1829.00	4932.50
Change	+131.40	+115.70	+259.60

Guar Seed Futures Prices at NCDEX

Dates	April Contract		May Contract		June Contract	
	Open	Close	Open	Close	Open	Close
01.04.06	1815	1802	1870	1857	1918	1900
03.04.06	1807	1821	1848	1880	1902	1922
04.04.06	1822	1852	1880	1916	1924	1961
05.04.06	1860	1859	1922	1925	1965	1971
06.04.06	1860	1855	1918	1923	1964	1972
07.04.06	1855	1847	1925	1909	1972	1957
08.04.06	1840	1854	1903	1916	1953	1966

Guar Gum Futures Prices at NCDEX

Dates	April Contract		May Contract		June Contract	
	Open	Close	Open	Close	Open	Close
01.04.06	4720	4666	4800	4761	4905	4856
03.04.06	4670	4738	4779	4836	4905	4935
04.04.06	4745	4812	4845	4926	4940	5023
05.04.06	4815	4850	4940	4960	5060	5072
06.04.06	4839	4828	4960	4943	5090	5060
07.04.06	4855	4803	4955	4911	5056	5021
08.04.06	4780	4811	4875	4923	5001	5031

WEATHER WATCH (09.04.06)

ALL INDIA WEATHER FORECAST BULLETIN VALID FOR NEXT 5 DAYS

Weather Outlook

Scale of ongoing rainfall and thundershower activity over northeastern states is likely to continue in coming days as well. Scattered rainfall activity is already experienced during last 24hrs over J & K and isolated activity is noticed over southern peninsula as per our expectations. Isolated to scattered thunderstorm activity with hailstorm/squall is also likely over West Bengal, Kerala, south interior Karnataka, Rayalaseema, Chattisgarh, coastal Orissa, Jharkhand, east UP and Bihar in coming days. Under the influence of western disturbance, scattered to fairly widespread rains/ snow is likely over the hilly regions of north-west India until 11 April. Adjoining plains viz. Punjab, Haryana including Delhi, West UP are also to experience isolated rains/thundershowers during same period. Mainly dry weather is likely over rest regions of the country. As per the earlier predictions, the heat wave conditions over parts of Rajasthan and some pockets of west Haryana and NW India have started receding under the influence of western

disturbance from today. However, heat wave conditions over northwest Madhya Pradesh, UP and Telangana may continue for 2-3 more days. Thereafter respite is expected gradually in over plains of north India.

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

Scattered to fairly widespread rain/snow is expected over hilly regions till 11th April, 2006. Isolated rains/thundershowers are also likely over adjoining plains viz. Punjab, Haryana including Delhi and west UP around 9-10 April, 2006.

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

Scattered to fairly widespread rain/thundershowers accompanied with isolated hail/ squalls are likely over NE States and West Bengal & Sikkim in coming 4 days. Isolated to scattered rains are also likely in Bihar, coastal Orissa, and Jharkhand regions as well.

CENTRAL INDIA [MP, CHHATTISGARH, VIDARBHA]

Chattisgarh is likely to experience isolated thunderstorm activity during next 3 days. Mainly clear weather is likely to prevail over rest region.

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

Isolated to scattered rainfall is expected over coastal Tamilnadu, south/north interior Karnataka, Rayalaseema, coastal Andhra Pradesh and Kerala during next 3-4 days.

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

Mainly dry weather may prevail over the region. However some parts of north Rajasthan may experience thunderstorm during next 24-48hrs.

Source: GOI (NCMRWF & IMD)

TECHNICAL ANALYSIS

Commodity: **Guar Seed**

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

NCDEX April Contract

Candlestick: Formation of candlestick is showing a slightly bullish sentiment and firm opening.

Stochastic: The stochastic is moving downwards to normal region, the %K-line after cutting %D-line from the above moving downward in the normal region

MACD: The MACD (5-day) along with its EMA moving upwards. Showing moderately strength in the market.

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

Market Outlook:

Guar seed futures are expected to witness an upward trade in the first parts of coming week. However, the futures are likely to get resisted and may move southwards during the later half of the coming week.



Commodity: **Guar Gum**

Perspective: Very Short Term (Weekly)

NCDEX April Contract

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Stochastic: The stochastic is moving downwards to normal region, the %K-line after cutting %D-line from the above moving downward in the normal region

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Market Outlook:

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