

GUAR SEED and GUAR GUM

April 07, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Steady to Bearish
- Guar Futures: Selling Pressure Down the Trade

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: Bullish, moving upwards in overbought region
Overall: Bullish

Market Outlook:

The guar seed futures are likely to trade moderately upwards following a steady to firm opening with possibility of some early downwards movement. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	1820	1805	1900	1915
May	1877	1858	1980	2001

Intraday Trade Recommendations:

Buy NCDEX- May Guar Seed near 1900 with **target** of near 1940, and then near 1960 **Stop loss** at near 1875.

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: Bullish, moving upwards in overbought region
Overall: Bullish

Market Outlook:

The guar gum futures are likely to trade moderately upwards following a steady to firm opening with possibility of some early downwards movement. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
Apr.	4710	4680	4928	4970
May	4795	4750	5067	5114

Intraday Trade Recommendations:

Buy NCDEX- May Guar Gum near 4870 with **target** of near 4940, then near 4975. **Stop loss** at near 4830.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures slid to lower levels on increased selling.

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

Prices are likely to move trade moderately upwards following a steady to firm opening with possibility of some early downwards movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX traded upwards initially following a firm opening. However, increased selling pressure at higher levels pushed down the trade and traded at much lower levels thereafter. Finally some buying interest at lower levels managed to settle the futures at some higher levels. The near month April contract traded in the range of 1835.00-1866.00, while the May contract fluctuated in the range of 1898.00-1935.00. At the spot markets guar seed was quoted steady at Rs.1910 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered steady at Rs 1820 per quintal, at the Shiwani market it was offered lower at Rs.1720 and Sriganagar market it was available at Rs 1716 per quintal, whereas at Nokha market it was quoted lower at Rs.1747 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed upwards trade initially following a steady opening. However, increased selling interest at higher levels curbed the early advances of the futures and traded mostly downwards thereafter. Finally at lower levels increased buying interest recovered the futures from some of the losses. The near month April contract traded in the range of 4768.00-4884.00, while the May contract fluctuated in the range of 4866.00-4984.00. At the spot markets guar gum was quoted steady at Rs.4940 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets remained steady to bearish during Thursday's trade. The guar seed as well as guar gum mostly traded at some higher levels at previous day. But, some weak demand at higher levels stagnant the trade and somewhere, even it was traded at much lower prices. Stockist were the active buyers than millers. However, arrivals of the guar seed would be the governing factors for coming day's market sentiments. Some of the traders experienced arrivals of poor quality guar seed. The arrivals were reportedly steady at some 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 moderately upwards following a steady to firm opening with possibility of some early downwards movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	06.04.06	05.04.06	Change
	Bikaner	1820	1820	-
Guar Seed	Jodhpur-B line	1910	1910	-
	Jodhpur-M line	1885	1885	-
	Nokha	1747	1768	-21
	Sriganagar	1716	1815	-100
	Shiwani	1720	1750	-30
Guar Gum	Jodhpur	4940	4940	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	370.40	371.50	371.80	+1.40

Price Movements at Bikaner Vayda

The Bikaner vayda witnessed moderately upwards trade following a higher opening. Increased buying interest supported the trade throughout the day and reached at some higher levels. The May contract settled with gains during Thursday's trade.

WEATHER HIGHLIGHTS (06-04-06)

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

Mainly dry weather is likely over the region. However isolated to scattered rain /snow likely to commence over Jammu & Kashmir from 8th onwards. This activity will increase and extend into Himachal Pradesh and Uttaranchal also. Day temperatures over the region are likely to increase further by 2-3° C during next 2-3 days.

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

Weather will be mainly dry over the region with increase in day temperatures.

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