

## GUAR SEED and GUAR GUM

April 10<sup>th</sup> - 15<sup>th</sup> 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Traded Higher Sides in Physical Market on Demand
- Guar Futures: Boom: Reached at Contact's Month High

### MARKET COMMENTARY OF MAJOR MARKETS

The guar futures at the NCDEX started this week with a sharply bullish note with huge volumes and open interest of the trade under review. Increased buying support underpinned the market sentiments and the May contract reached at contacts month's high at Rs.2009 on the very next day. But some selling interest at the higher levels pressurised the trade with bearish sentiments for the rest of the week and the May contract settled lower at day's low with losses at the weekend. Open interest has been falling down and the prices are turning slightly sluggish during the last parts of the week. The steady arrivals at some lower levels in the spot market 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 the range of Rs 1970-2000 per quintal in this week under review. At the Bikaner market it was offered higher levels also in the range of Rs 1856-1890 per quintal, while at the Nokha market it was traded at Rs.1780-1835 per quintal in this week. At the Sriganganagar market it was available at Rs.1860-1900 per quintal, while at the Shiwani market it was quoted higher in the range of Rs 1750-1810 per quintal during this week under review.

The guar physical markets were continued firm and traded higher levels in this week under review. The prices of guar seed as well as guar gum were quoted sharply higher prices on Tuesday by the influence of highly bullish sentiments of futures market. However, the prices were range bound with weak undertone during last part of the week. Stockists were more active buyers than millers even at higher price levels. Traders were attributed that market sentiments would depend on volumes of arrivals as well as coming weather condition. Traders are optimistic about the bullish tone of the market and 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	
08.04.06	1820	1930-1940	1905-1915	1747
15.04.06	1856	1980	1955	1820
Change	+36.00	+40.00	+40.00	+73.00

### 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 found the track of higher trading on increased domestic as well as export demand throughout the week and May contact tested contact's months' high at Rs.5182 on Tuesday under review. However, the futures traded with bearish sentiments during rest of the week.

At the physical markets guar gum was quoted higher in the range of Rs 4992-5100 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 of the coming week and move northwards during the rest of the coming week.

#### Price Movement of Guar Seed and Gum at NCDEX

(Prices of guar in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
08.04.06	1826.90	1829.00	4932.50
10.04.06	1839.40	1848.45	4935.00
11.04.06	1881.80	1886.10	5096.25
12.04.06	1865.80	1885.15	5067.85
13.04.06	1863.95	1868.65	5023.10
14.04.06	1885.80	1893.15	5066.30
15.04.06	1894.70	1904.45	5106.30
Change	+67.80	+75.45	+173.80

#### Guar Seed Futures Prices at NCDEX

Dates	April Contract		May Contract		June Contract	
	Open	Close	Open	Close	Open	Close
08.04.06	1855	1899	1903	1916	1953	1966
10.04.06	1904	1916	1922	1981	1970	2039
11.04.06	1916	1899	1986	1989	2048	2045
12.04.06	1900	1884	1992	1970	2035	2028
13.04.06	1888	1909	1974	1956	2032	2010
14.04.06	1916	1906	1962	1978	2015	2039
15.04.06	1855	1899	1984	1975	2044	2035

## Guar Gum Futures Prices at NCDEX

Dates	April Contract		May Contract		June Contract	
	Open	Close	Open	Close	Open	Close
08.04.06	4780	4811	4875	4923	5001	5031
10.04.06	4830	4964	4945	5090	5028	5206
11.04.06	4990	5018	5137	5138	5206	5259
12.04.06	5000	4980	5159	5092	5242	5198
13.04.06	4990	4944	5110	5051	5200	5164
14.04.06	4955	4982	5080	5110	5179	5217
15.04.06	5020	5005	5134	5099	5240	5207

## WEATHER WATCH (16.04.06)

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

#### Weather Outlook

During past 24 hours rainfall has occurred at few Places over south peninsula, Gangetic west Bengal, Orissa and Chhattisgarh. Isolated showers have also occurred over northeastern states, Andaman Islands, East Madhya Pradesh, Madhya Maharashtra, Marathwada, Punjab, Haryana, south/north interior Karnataka, Jammu & Kashmir, coastal Andhra Pradesh, and Telangana. Chief amounts of rainfall (in cm) reported during past 24 hours include: Jagdalpur- 7, Mysore-5, Bangalore & Balasore-3 each, Champa, Raipur & Mayabandar-2 each. Under the influence of a fresh western disturbance, scattered to fairly widespread rain/snow activity likely to continue over Jammu & Kashmir and extend subsequently into Himachal Pradesh and Uttaranchal till 18<sup>th</sup> April, 2006. Adjoining plains of NW India viz. Punjab, Haryana and west Uttar Pradesh are also expected to continue with isolated rains/thundershowers during above period. As indicated earlier, due to combined impact of easterly wave affecting southern India and western disturbance affecting NW India and moving eastward, entire south peninsular India (viz. Tamilnadu & Pondicherry, Kerala, Karnataka, and Andhra

Pradesh), eastern parts of Central India (viz., East MP, Chhattisgarh), East India (East UP, Bihar, Jharkhand, Orissa and West Bengal) and NE States, are likely receive enhanced rainfall and thundershower activity during next 2-3 days. With the result as predicted earlier, day temperatures in these areas have already showing the falling tendencies from today itself and the trend is to continue for next 2-3 days. Predictions suggest that yet another short spell of rain/snowfall activity over Jammu & Kashmir is likely around 21-22 April, 2006.

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

Scattered to fairly widespread rains/snow are likely over J&K, Himachal Pradesh and Uttaranchal during next 2-days. Plains of NW India viz. Punjab, Haryana and west Uttar Pradesh are expected to have isolated rains/thundershowers during the same period. Subsequently, fall in night temperatures with dry weather is expected over the region.

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

Scattered to fairly widespread rain/thundershowers are likely to continue over NE States and West Bengal & Sikkim, Orissa and Jharkhand in coming days. Isolated to scattered thunder shower activity is expected over East UP and Bihar starting from 18<sup>th</sup> April, 2006

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

East MP, Chattisgarh and Vidarbha are likely to experience scattered rains and isolated thundershowers in coming days.

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

Scattered to fairly widespread rains are likely over most parts of the region viz. Tamilnadu, Kerala, Andhra Pradesh and Karnataka in coming 2-days. Subsequently, isolated to scattered rainfall is expected to continue over Tamilnadu and Kerala only.

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

Isolated rains are expected in parts of the region during next 2-days only. Subsequently, dry weather conditions are likely to prevail.

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 bearish sentiment and steady to firm opening.

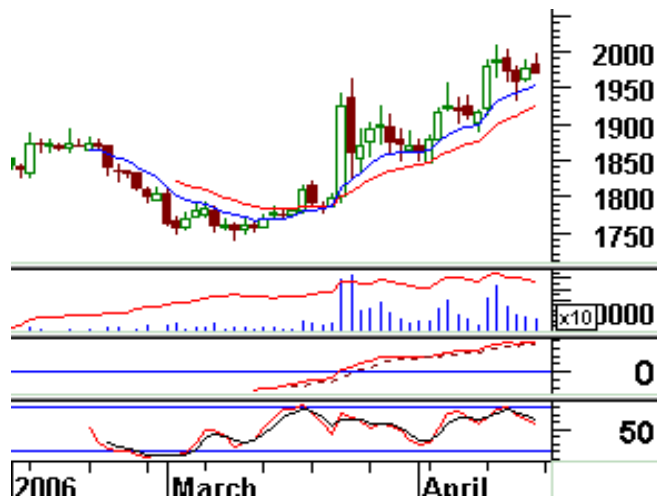
**Stochastic:** The stochastic is moving downwards to normal region after technical correction, the %K-line after cutting %D-line from the above moving downwards.

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

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

#### Market Outlook:

Guar seed futures are expected to witness a downward trade in the first couples of days of the coming week and move northwards during the rest of the coming week.



**Commodity: Guar Gum**

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

**NCDEX April Contract**

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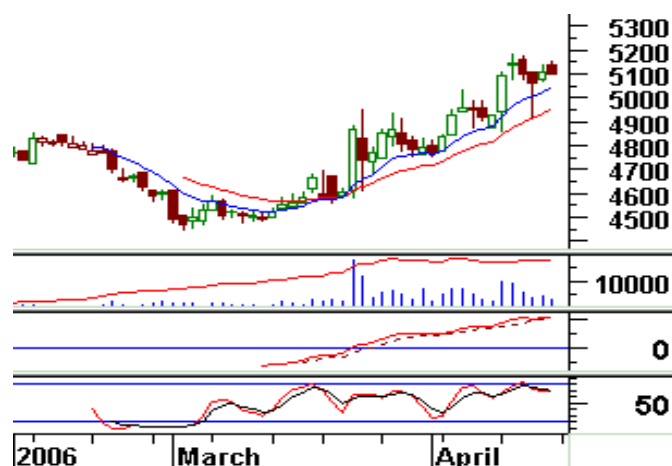
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#### **Market Outlook:**

Guar gum futures are expected to witness a downward trade in the first couples of days of the coming week and move northwards during the rest of the coming week.



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