

GUAR SEED and GUAR GUM

April 26, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Continued its Bullish Sentiments
- Guar Futures: Traded Higher Sides on Rising Demand

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards to over bought region
Overall: Bullish

Market Outlook:

The guar seed futures are likely to move upwards following a steady to weak opening with possibility of early downwards movement. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	1941	1927	2000	2010
June	2011	1994	2084	2098

Intraday Trade Recommendations:

Buy NCDEX- May Guar Seed near 1960 with **target** of near 1985, and then near 1997 **Stop loss** at near 1948.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards to normal region
Overall: Bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	4938	4911	5102	5141
June	5091	5056	5232	5268

Intraday Trade Recommendations:

Buy NCDEX- May Guar Gum near 4990 with **target** of near 5030, then near 5050. **Stop loss** at near 4970.

Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures traded at higher level on buying support.

Arrivals at the major markets reported to be steady.

Prices are likely to move upwards following a steady to weak opening with possibility of early downwards movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed slightly downwards trade initially on increased selling pressure following a firm opening. However, increased buying interest at lower levels supported the futures and traded upwards thereafter. The futures settled higher with gains in final action. The near month May contract traded in the range of 1955.00-1985.00, while the June contract fluctuated in the range of 2020.00-2064.00. At the spot markets guar seed was quoted higher at Rs.2010-2020 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher in the range of Rs.1890-1900 per quintal, at the Nokha market, it was offered higher at Rs.1840 per quintal. At Sriganganagar market it was offered very higher in the range of Rs.1920-1938 and at Shiwani market also it was quoted higher at Rs.1830 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded downwards initially following a firm opening. However, increased buying activities at the lower levels supported the futures and traded towards higher sides thereafter. Finally the futures settled at higher with gains. The near month May contract traded in the range of 4985.00-5050.00, while the June contract fluctuated in the range of 5121.00-5200.00. At the spot markets guar gum was quoted much higher at Rs.5096 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar physical markets continued bullish during Tuesday's trade following much higher trading sentiments on previous day. The guar seed as well as guar gum mostly traded at higher prices on increased demand in different spots markets of the country. IMD's prediction that monsoon rains during the June to September period are likely to be below normal had mainly inspired buyers. Stockists have been waiting for further increase of prices to the anticipation of lower production due to bellow normal rainfall amidst lower arrivals. But the traders should be wait for actual picture of monsoon activity in July as well as IMD's further reports on monsoon. Higher demand even at upper price levels amidst lower arrivals mainly influencing spot market's tone. Moreover bullish sentiments of the futures market had also underpinned spot markets sentiments. 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 upwards following a steady to weak opening with possibility of early downwards movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	25.04.06	24.04.06	Change
Guar Seed	Bikaner	1890-1900	1890	+10
	Jodhpur-B line	2010-2020	2000	+20
	Jodhpur-M line	1985-1995	1975	+20
	Nokha	1840	1830	+10
	Sriganganagar	1920-1938	1887-1897	+41
	Shiwani	1830	1825	+5
Guar Gum	Jodhpur	5096	5044	+52

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	380.00	379.20	383.10	+3.10

Price Movements at Bikaner Vayda

Bikaner market witnessed moderately upwards trade throughout the day following a weak opening. Increased buying interest reached the futures at very higher levels. Finally, the May contracts settled higher at day's high with gains during Tuesday's trade.

WEATHER HIGHLIGHTS (25-04-06)

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

Mainly dry weather is likely over the region. Temperatures over Punjab and Haryana are likely to remain between 39-42°C with possibility of heat wave over parts of Haryana during next 1-2 days.

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

Isolated rain/thundershowers are likely over Vidarbha & Marthawada. Weather will be mainly dry over the rest region. Day temperatures in Rajasthan are likely to increase further with possibility of heat wave over some areas.

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 $\pm 5\%$.

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