

## GUAR SEED and GUAR GUM

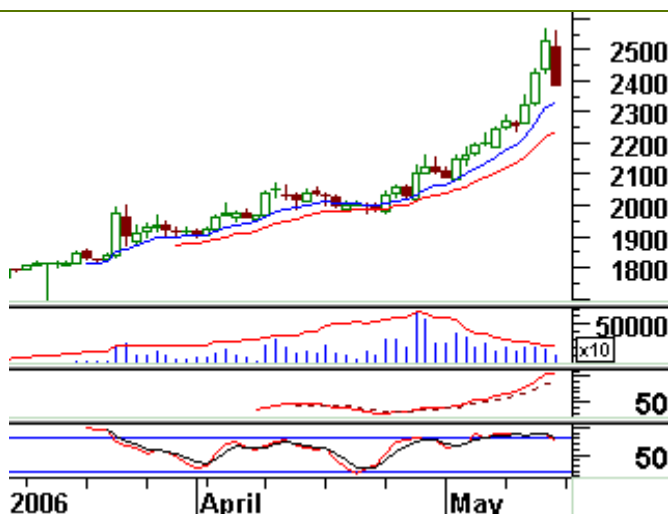
May 15, 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Sharply Bearish Tone
- Guar Futures: Cracked Down on Selling Pressure

### TECHNICAL ANALYSIS

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Slightly bearish, moving downwards  
**Stochastic:** Bearish, moving downwards to normal region after crossing the overbought region  
**Overall:** Bearish

#### Market Outlook:

The guar seed futures are likely to move some downwards initially following a steady to weak opening with possibility of slightly upward movement later. Trade with intraday outlook.

#### Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2204	2170	2318	2344
June	2312	2262	2420	2440

#### Intraday Trade Recommendations:

**Sell** NCDEX- June Guar Seed near 2375 with **target** of 2345, and then 2330 **Stop loss** at 2390.  
Do not carry forward the position until the next day.

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



#### Chart Indicators:

**Candlesticks:** Bearish, steady to weak opening  
**MACD:** Slightly bearish, moving downwards  
**Stochastic:** Bearish, moving downwards to normal region after crossing the overbought region  
**Overall:** Bearish

#### Market Outlook:

The guar gum futures are likely to trade some downwards initially following a steady to weak opening with possibility of slightly upward movement later. Trade with intraday outlook.

#### Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5522	5440	5787	5869
June	5697	5636	5980	6049

#### Intraday Trade Recommendations:

**Sell** NCDEX- June Guar Gum near 5920 with **target** of 5860 then 5830. **Stop loss** at 5950.  
Do not carry forward the position until the next day.

## FUNDAMENTAL ANALYSIS

### SALIENT POINTS OF THE DAY

Guar futures settled much lower at day's low with huge losses  
Arrivals at the major markets reported to be steady.

Prices are likely to move some downwards initially following a steady to weak opening with possibility of slightly upward movement later.

### MARKET COMMENTARY

#### GUAR SEED:

The guar seed futures at the NCDEX witnessed some upwards trade initially on increased speculative buying following a weak opening. However, increased selling pressure at the higher levels pressurised the futures and cracked down to a very lower levels thereafter. Finally the futures settled much lower at day's low with huge losses. The near month May contract traded in the range of 2272-2433, while the June contract fluctuated in the range of 2378-2559. At the spot markets guar seed was quoted much lower at Rs.2330 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was offered much lower at Rs.2200 per quintal, at the Nokha market, it was offered lower at Rs.2090 per quintal. At Sriganganagar market it was offered lower at Rs.2175 per quintal, at Shiwani market also it was quoted lower at Rs. 2020 per quintal during weekend.

#### GUAR GUM:

The guar gum futures at the NCDEX witnessed some upwards movement at the early hours of trade on increased speculative buying interest following a weak opening. However, increased selling pressure at the higher levels cracked down the futures and traded sharply downwards thereafter. Finally the futures settled much lower at day's low with huge losses. The near month May contract traded in the range of 5721-6140, while the June contract fluctuated in the range of 5895-6298. At the spot markets guar gum was quoted much lower at Rs.5750 per quintal in Jodhpur market during Saturday's trade.

#### PHYSICAL MARKET SENTIMENTS:

The guar prices in majority of the spot markets in the country turned towards bearish tone during Saturday's trade following a sharply upward trade on last fortnight. The sentiments of guar prices in different spot markets in the country mainly following the sharply bearish sentiments of futures market. The stockist reportedly buying guar seed to hedge it against futures in NCDEX as reported by some traders. However, traders are optimistic the recovery of the prices in coming days. The speculation of lower rainfall in the months of July-August was still in the mind of the buyers and that will motivate the buying again. Millers have been remaining inactive at higher price levels. The arrival remains steady at lower levels In such circumstances; the prices of guar seed as well as guar gum are expected to move some downwards initially following a steady to weak opening with possibility of slightly upward movement later.

### Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	13.04.06	12.04.06	Change
	Bikaner	2200	2300	-100
Guar Seed	Jodhpur-B line	2330	2450	-120
	Jodhpur-M line	2305	2425	-120
	Nokha	2090	2125-2130	-40
	Sriganganagar	2175	2270	-95
	Shiwani	2020	2070	-50
Guar Gum	Jodhpur	5750	5900	-150

### BIKANER GUAR VAYDA

#### Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	417.20	417.30	415.00	-2.20
July	472.60	471.80	459.20	-13.40

#### Price Movements at Bikaner Vayda

Bikaner market witnessed slightly upwards trade initially following a mixed opening. However, increased selling interest at higher levels pressurised the futures and traded sharply downwards thereafter. Finally the July contract settled much lower at day's low with huge losses during weekend.

### WEATHER HIGHLIGHTS (13-05-06)

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

Rain/thundershowers are likely at a few places over Uttaranchal and isolated over Himachal Pradesh. Isolated to scattered duststorm/thunderstorm are likely over Punjab, Haryana, Chandigarh, Delhi and West Uttar Pradesh during next 48 hours, where temperatures are likely to fall.

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

Isolated duststorm /thunderstorm may occur over Rajasthan. Mainly dry weather over the rest region. Some respite from heat wave conditions is likely over Rajasthan.

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