

GUAR SEED and GUAR GUM

May 05, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Firm Tone supported by Futures
- Guar Futures: Sharply Bullish on Speculative Buying

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards crossed over bought region.
Overall: Slightly bullish

Market Outlook:

The guar seed futures are likely to move some downwards initially following a firm opening and upward movement thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2065	5050	2121	2135
June	2169	2157	2236	2250

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2185 with **target** of near 2220, and then near 2237 **Stop loss** at near 2168.
Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bullish, firm opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards crossed over bought region.
Overall: Slightly bullish

Market Outlook:

The guar gum futures are likely to trade some downwards initially following a firm opening and upward movement thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5267	5225	5385	5428
June	5440	5390	5590	5640

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5480 with **target** of near 5530, then near 5555. **Stop loss** at near 5455.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled higher near day's high with huge gains.

Arrivals at the major markets reported to be steady.

Prices are likely to move some downwards initially following a firm opening and upward movement thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some downwards trade initially on increased selling pressure following a firm opening. However, increased buying interest at the lower levels supported the futures and reached at very higher level and consequently tested fresh contract months' high thereafter. The futures settled higher near day's high in final action. The near month May contract traded in the range of 2062-2098, while the June contract fluctuated in the range of 2152-2201. At the spot markets guar seed was quoted steady at Rs.2150 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher at Rs.2043 per quintal, at the Nokha market, it was offered higher at Rs.1940 per quintal. At Sriganganagar market it was offered much higher between Rs.2045-2060 per quintal, at Shiwani market also it was quoted higher too at Rs.1900 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded some lower levels at the early hours of trade on increased selling pressure following a weak opening. However, the futures got supported in the lower levels and traded upwards thereafter. Finally, the futures settled higher near day high with huge gains. The near month May contract traded in the range of 5222-5331, while the June contract fluctuated in the range of 5392-5534. At the spot markets guar gum was quoted higher at Rs.5460 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The sentiment on guar in the physical markets showed continues bullish during Thursday's trade. Sharply bullish sentiments of the futures market and the advancement at the higher sides due to speculative buying motives only underpinning the physical market tone. Speculative buying mainly influencing the higher sides of trading. Steady to somewhat bullish demand witnessed in the different domestic markets of the country. However, lower demand has been witnessed at the higher price levels. The arrivals reportedly steady at lower sides. Steady demand against lower arrivals also governing the sentiments of the physical markets. The anticipation of lower rainfall in the months of July-August still influencing the buyers and motivated for further buying activities. Some of the traders attributed that prices would be fluctuating at the higher levels. In such circumstances; the prices of guar seed as well as guar gum are expected to move some downwards initially following a firm opening and upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	03.04.06	02.04.06	Change
	Bikaner	2043	2012	+31
Guar Seed	Jodhpur-B line	2150	2125-2150	-
	Jodhpur-M line	2125	2100-2125	-
	Nokha	1940	1930	+10
	Sriganganagar	2045-2060	2014-2020	+40
	Shiwani	1900	1890	+10
Guar Gum	Jodhpur	5460	5400-5425	+35

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	400.30	400.10	407.50	+7.20
July	431.20	431.30	440.50	+9.30

Price Movements at Bikaner Vayda

Bikaner market witnessed some upwards trade initially following a mix opening. The futures reached at very higher level on increased buying support. The may contract finally settled at day's high with huge gains during Thursday's trade.

WEATHER HIGHLIGHTS (04-05-06)

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

Mainly dry weather likely over the region. However isolated dust-storm/thunderstorm activity is likely over Haryana, Delhi and West Uttar Pradesh.

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

Isolated rain/thundershowers are likely over south Madhya Maharashtra and south Konkan & Goa. Isolated duststorm/thunderstorm may occur over Rajasthan towards evening/night. Mainly dry weather over the rest region. Temperatures over Rajasthan are likely to remain 42-44°C.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd