

GUAR SEED and GUAR GUM

May 13, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Sharply Bullish Tone
- Guar Futures: Extended Further Climbed Another Top

TECHNICAL ANALYSIS

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

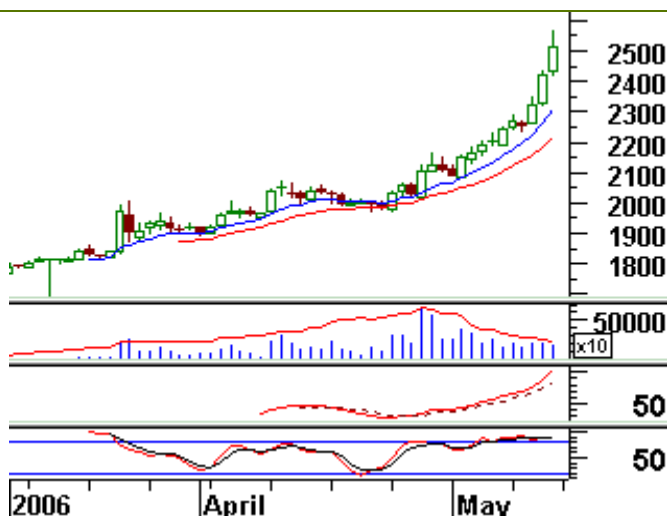


Chart Indicators:

Candlesticks: Bullish, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Slightly bearish, moving downwards after crossing the overbought region
Overall: Slightly Bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2370	2347	2455	2481
June	2469	2446	2581	2600

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2500 with **target** of 2530, and then 2545 **Stop loss** at 2485.
Do not carry forward the position until the next day.

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

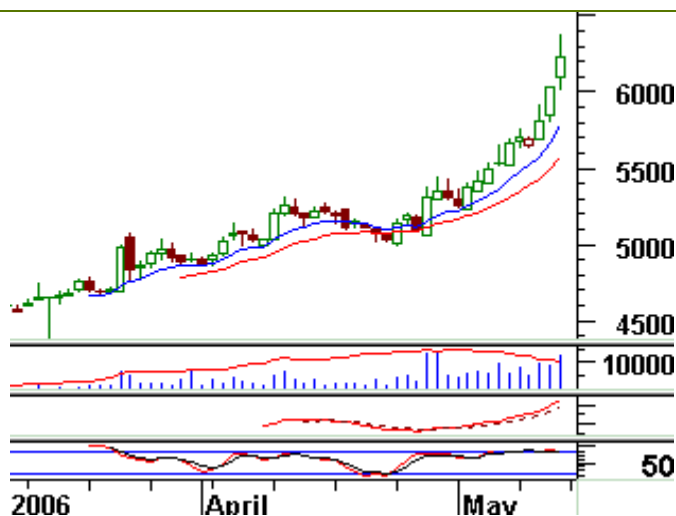


Chart Indicators:

Candlesticks: Bullish, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Slightly bearish, moving downwards after crossing the overbought region
Overall: Slightly Bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5878	5823	6070	6120
June	6133	6080	6340	6400

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 6180 with **target** of 6230 then 6255. **Stop loss** at 6155.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled much higher with huge gains during Friday's trade.

Arrivals at the major markets reported to be steady.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed slightly downwards trade initially following a firm opening. However, increased speculative buying interest at the lower levels supported the futures and hovered up to a new top thereafter. Finally the futures settled higher with huge gains. The near month May contract traded in the range of 2319-2442, while the June contract fluctuated in the range of 2416-2565. At the spot markets guar seed was quoted much higher at Rs.2450 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered much higher at Rs.2300 per quintal, at the Nokha market, it was offered higher in the range of Rs.2125-2130 per quintal. At Sriganganagar market it was offered higher at Rs.2270 per quintal, at Shiwani market also it was quoted higher at Rs. 2070 per quintal during Friday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed slightly downwards movement at the early hours of trade following a much higher opening. However, increased speculative buying interest at the lower levels supported the futures and traded sharply upwards thereafter. Finally the futures settled much higher with huge gains. The near month May contract traded in the range of 5760-6175, while the June contract fluctuated in the range of 6000-6375. At the spot markets guar gum was quoted steady at Rs.5900 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The guar prices in majority of the spot markets in the country continued to witness much higher sentiments during Friday's trade following a sharply upwards trade on previous day. The sentiments of spot prices remain at higher sides on sharply bullish trading activities in the futures market. However, traders have been witnessing lower demand in higher price levels. Millers have been remaining inactive at higher price levels. The speculation of lower rainfall in the months of July-August was still in the mind of the buyers and that only motivated trader for speculative buying activities. The stockist reportedly buying guar seed to hedge it against futures in NCDEX as reported by some traders. The arrival remains steady at lower levels. In such circumstances; the prices of guar seed as well as guar gum are expected to move slightly downwards initially following a steady to weak opening and some upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	12.04.06	11.04.06	Change
	Bikaner	2300	2230	+70
Guar Seed	Jodhpur-B line	2450	2300-2325	+125
	Jodhpur-M line	2425	2275-2300	+125
	Nokha	2125-2130	2120	+10
	Sriganganagar	2270	2240-2245	+25
	Shiwani	2070	2040	+30
Guar Gum	Jodhpur	5900	5900	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	417.30	417.20	417.20	-0.10
July	467.80	469.50	472.60	+4.80

Price Movements at Bikaner Vayda

Bikaner market witnessed slightly downwards trade initially following a mixed opening. However, increased speculative buying interest at lower levels supported the futures and traded some upwards thereafter. Finally the July contract settled higher at day's high with huge gains during Friday's trade.

WEATHER HIGHLIGHTS (12-05-06)

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

Isolated rain/thundershowers are likely over Himachal Pradesh and Uttaranchal. Isolated duststorm/thunderstorm are likely over the plains of northwest India during next 48 hrs. Day temperatures over Punjab, Haryana and West Uttar Pradesh are likely to remain around 40-42°C and increase during next 2-3 days. Mainly dry weather is likely over Jammu & Kashmir,

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

Isolated duststorm /thunderstorm may occur over Rajasthan. Mainly dry weather over the rest region. Heat wave conditions will continue to prevail over parts of Rajasthan.

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