

GUAR SEED and GUAR GUM

May 09, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Higher Sides: Supported By Futures
- Guar Futures: Touched a New Height on Buying Support

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: Bearish, moving downwards after crossing the overbought region
Overall: Slightly Bullish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2116	2099	2180	2200
June	2220	2197	2305	2328

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2245 with **target** of near 2275, and then near 2290 **Stop loss** at near 2230.
Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Trend reversal, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Bearish, moving downwards after crossing the overbought region
Overall: Trend reversal

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5321	5262	5569	5616
June	5585	5529	5731	5788

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5625 with **target** of near 5675, then near 5700. **Stop loss** at near 5600.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled at positive territory with gains.

Arrivals at the major markets reported to be steady.

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

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed moderately upwards trade on increased speculative buying support initially following a firm opening. Buying support led the futures to test another new top. However, increased profit booking interest at higher levels capped some of the early gains and traded some downwards thereafter. Finally the futures settled at positive territory with some gains. The near month May contract traded in the range of 2130-2188, while the June contract fluctuated in the range of 2237-2287. At the spot markets guar seed was quoted steady at Rs.2250 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher at Rs.2122 per quintal, whereas, at the Nokha market, it was offered higher at Rs.2048 per quintal. At Sriganganagar market it was offered higher Rs.2130 per quintal, at Shiwani market also it was quoted higher also in the range of Rs. 1950 per quintal during Monday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed sharply upwards trade on increased speculative buying following a firm opening at the early hours of trade. The futures tested fresh contact months' high on buying support. However, profit-booking interest curbed the early gains and traded downwards thereafter. Finally the futures settled at negative territory with marginal losses. The near month May contract traded in the range of 5400-5560, while the June contract fluctuated in the range of 5625-5755. At the spot markets guar gum was quoted much higher at Rs.5675 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 remains bullish during Monday's trade following a higher sentiment on previous day. Guar seed prices witnessed at higher sides in different spot markets in the country. The increase of spot prices was governed mainly by the highly bullish tone of futures market. The anticipation of lower rainfall in the months of July-August was influencing the buyers and motivated for speculative buying activities. Traders attributed lower demand in higher price levels. The arrival remains steady at lower levels. The traders from Gujarat and Indore purchased the guar seed from some of the spot markets of Rajasthan. Traders attributed some fluctuation at the higher price levels. In such circumstances; the prices of guar seed as well as guar gum are expected to move downwards initially following a steady to weak opening and upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	08.04.06	06.04.06	Change
	Bikaner	2122	2106	+16
Guar Seed	Jodhpur-B line	2250	2250	-
	Jodhpur-M line	2225	2225	-
	Nokha	2048	2028	+20
	Sriganganagar	2130	2100	+30
	Shiwani	1950	1930	+20
Guar Gum	Jodhpur	5675	5600	+75

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	411.50	411.80	412.40	+0.90
July	448.50	449.30	449.40	+0.90

Price Movements at Bikaner Vayda

Bikaner market witnessed slightly downs trade initially following a firm opening. However, increased buying interest at lower levels supported the futures and traded some upwards thereafter. Finally the May contract settled at positive territory with marginal gains during Monday's trade.

WEATHER HIGHLIGHTS (08-05-06)

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

Isolated rain/thundershowers are likely over western Himalayas. Isolated duststorm/thunderstorm are likely over rest region. Isolated squall may occur over the region during next 2 days leading to some respite from heat wave.

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

Isolated rain/thundershowers are likely over Marathwada and south Madhya Maharashtra. Scattered duststorm with isolated squall may occur over Rajasthan leading to some respite from heat wave.. Mainly dry weather over the rest region.

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