

GUAR SEED and GUAR GUM

May 08, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Zoom Up: Driven by Futures
- Guar Futures: Speculative Buying Tested New Top

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 after crossing the overbought region
Overall: Bullish

Market Outlook:

The guar seed futures are likely to move 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	2131	2116	2181	2200
June	2200	2183	2298	2315

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2242 with **target** of near 2277, and then near 2294 **Stop loss** at near 2225.
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 after crossing the overbought region
Overall: Bullish

Market Outlook:

The guar gum futures are likely to trade 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	5392	5342	5569	5616
June	5587	5539	5749	5792

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5655 with **target** of near 5705, then near 5730. **Stop loss** at near 5620.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed futures settled higher at day's high during weekend.

Arrivals at the major markets reported to be steady.

Prices are likely to move downwards initially following a firm 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 following a weak opening. The futures ran into non-stop buying interest throughout the day. Finally the futures settled higher at day's high in final action. The near month May contract traded in the range of 2093-2150, while the June contract fluctuated in the range of 2185-2252. At the spot markets guar seed was quoted higher at Rs.2250 per quintal in Jodhpur market during Saturday's trade. At the Bikaner market it was offered much higher at Rs.2106 per quintal, whereas, at the Nokha market, it was offered higher at Rs.2028 per quintal. At Sriganganagar market it was offered higher Rs.2100 per quintal, at Shiwani market also it was quoted higher also in the range of Rs. 1930 per quintal during weekend.

GUAR GUM:

The guar gum futures at the NCDEX witnessed sharply upwards trade on increased speculative buying following a weak opening. The futures ran into continuous buying support through out the day. Finally, the futures settled higher near day's high with huge gains. The near month May contract traded in the range of 5325-5489, while the June contract fluctuated in the range of 5516-5690. At the spot markets guar gum was quoted steady at Rs.5600 per quintal in Jodhpur market during Saturday's trade.

PHYSICAL MARKET SENTIMENTS:

The guar prices in majority of the spot markets in the country showed sharply bullish sentiments during Saturday's trade following mix sentiments on previous day. Guar seed prices traded at a much higher in different spot markets in the country. The spot prices following mainly the highly bullish tone of futures market. Traders attributed very lower demand in higher price levels. The arrivals also steady at lower levels. However, some traders reported almost negligible arrivals of guar seed and this also led to increase the prices. Millers were almost keeping themselves away from higher price levels. The traders from Gujarat and Indore purchased the guar seed from some of the spot markets of Rajasthan. Steady demand against lower arrivals somewhat governing the sentiments of the physical markets. The anticipation of lower rainfall in the months of July-August was influencing the buyers and motivated for speculative buying activities. In such circumstances; the prices of guar seed as well as guar gum are expected to move downwards initially following a firm opening and upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	06.04.06	05.04.06	Change
	Bikaner	2106	2048	+42
Guar Seed	Jodhpur-B line	2250	2180-2200	+50
	Jodhpur-M line	2225	2155-2175	+50
	Nokha	2028	1940	+88
	Sriganganagar	2100	2030-2035	+65
	Shiwani	1930	1890-1900	+30
Guar Gum	Jodhpur	5600	5600	-

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	407.20	409.10	411.50	+4.30
July	437.80	441.20	448.50	+10.70

Price Movements at Bikaner Vayda

Bikaner market witnessed some down trade initially following a firm opening. However, increased buying interest at lower levels supported the futures and traded sharply upwards thereafter. Finally the May contract settled at day's high with huge gains during weekend.

WEATHER HIGHLIGHTS (06-05-06)

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

Mainly dry weather likely over the region. Day temperatures over Plains of northwest India are likely to range between 42-44°C with heat wave conditions over some areas. Isolated duststorm likely over Haryana and Punjab towards afternoon/evening.

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

Isolated rain/thundershowers are likely over Marathwada and south Madhya Maharashtra. Isolated duststorm may occur over Rajasthan towards evening/night. Mainly dry weather over the rest region. Temperatures over Rajasthan are likely to remain above 45°C.

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