

GUAR SEED and GUAR GUM

May 10, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Witnessed Steady to Ease
- Guar Futures: Ran into Speculative Buying Support

TECHNICAL ANALYSIS

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



Chart Indicators:

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

Market Outlook:

The guar seed futures are likely to move some upwards initially following a steady to firm opening with possibility of late downwards movement. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2122	2000	2196	2210
June	2230	2217	2305	2328

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2252 with **target** of near 2282, and then near 2297 **Stop loss** at near 2237.
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 firm opening
MACD: Bullish, moving upwards
Stochastic: Bullish, moving upwards after crossing the overbought region
Overall: Slightly Bullish

Market Outlook:

The guar gum futures are likely to trade some upwards initially following a steady to firm opening with possibility of late downwards movement. Trade with intraday outlook.

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5350	5297	5580	5628
June	5585	5529	5742	5788

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5640 with **target** of near 5700, then near 5730. **Stop loss** at near 5610.
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 some upwards initially following a steady to firm opening with possibility of late downwards movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some downwards trade initially on increased profit booking at some higher levels following a weak opening. However, increased speculative booking interest at lower levels supported the futures again and traded upwards thereafter. Finally the futures settled at negative territory with marginal losses. The near month May contract traded in the range of 2140-2176, while the June contract fluctuated in the range of 2229-2272. At the spot markets guar seed was quoted steady in the range of Rs.2250-2260 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 Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some downwards trade on increased selling pressure following a weak opening at the early hours of trade. However, increased buying interest at lower levels supported the futures and traded upwards thereafter. Finally the futures settled at negative territory with some losses. The near month May contract traded in the range of 5432-5530, while the June contract fluctuated in the range of 5621-5705. At the spot markets guar gum was quoted lower at Rs.5650 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 steady to eased somewhat during Tuesday's trade following a higher sentiment on previous day. The spot prices remain somewhat range bound as previous day on sideways trading activities in the futures market. Traders have been reporting lower demand in higher price levels. The anticipation of lower rainfall in the months of July-August was motivated traders for speculative buying activities. The stockist reportedly buying guar seed to hedge it against futures in NCDEX. 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 some upwards initially following a steady to firm opening with possibility of late downwards movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	09.04.06	08.04.06	Change
	Bikaner	2125	2122	+3
Guar Seed	Jodhpur-B line	2250-2260	2250	+10
	Jodhpur-M line	2225-2235	2225	+10
	Nokha	2048	2048	-
	Sriganganagar	2130	2130	-
	Shiwani	1940	1950	-10
Guar Gum	Jodhpur	5650	5675	-25

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	412.40	412.00	411.40	-1.00
July	449.40	447.50	447.20	-2.20

Price Movements at Bikaner Vayda

Bikaner market witnessed some downwards trade initially following a weak opening. However, increased buying interest at lower levels supported the futures and traded some upwards thereafter. Finally the May contract settled at negative territory with marginal losses during Tuesday's trade.

WEATHER HIGHLIGHTS (09-05-06)

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

Rain/thundershowers are likely at a few places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Duststorm/thunderstorm are likely at a few places over rest region. Isolated squall may occur over the region. A further fall in day temperature by 2-3°C is likely.

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

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

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