

GUAR SEED and GUAR GUM

May 12, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Bullish; Supported by Futures
- Guar Futures: Hovered Up to a Sharply Higher Top

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: Slightly bullish, 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 firm opening and some upward movement thereafter. Trade with intraday outlook.

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2273	2238	2373	2400
June	2388	2349	2475	2500

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2420 with **target** of 2450, and then 2465 **Stop loss** at 2405.
Do not carry forward the position until the next day.

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

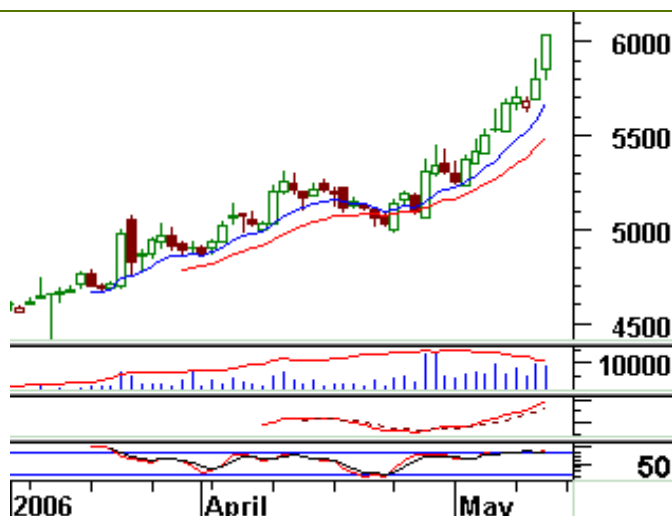


Chart Indicators:

Candlesticks: Bullish, steady to firm opening
MACD: Bullish, moving upwards
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Overall: Slightly Bullish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5755	5688	5934	6010
June	5941	5859	6120	6160

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 6010 with **target** of 6060 then 6085. **Stop loss** at 5985.
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 slightly downwards initially following a steady to firm opening and some upward movement thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed sharply downwards trade initially on increased profit making interest 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 near day's high with huge gains. The near month May contract traded in the range of 2225-2334, while the June contract fluctuated in the range of 2317-2436. At the spot markets guar seed was quoted steady in the range of Rs.2300-2325 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher at Rs.2230 per quintal, at the Nokha market, it was offered higher at Rs.2120 per quintal. At Sriganganagar market it was offered higher between Rs.2240-2245 per quintal, at Shiwani market also it was quoted higher at Rs. 2040 per quintal during Thursday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed sharply downwards movement at the early hours of trade on increased profit booking following a firm opening. However, increased speculative buying interest at the lower levels recovered the futures and traded sharply upwards thereafter. The futures settled at day's high with huge gains in final action. The near month May contract traded in the range of 5600-5856, while the June contract fluctuated in the range of 5792-6037. At the spot markets guar gum was quoted much higher 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 zoom up during Thursday's trade following an almost sideways sentiment on previous day. The 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 were inactive during Thursday's trade. 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 firm opening and some upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	11.04.06	10.04.06	Change
	Bikaner	2230	2200	+30
Guar Seed	Jodhpur-B line	2300-2325	2300	+25
	Jodhpur-M line	2275-2300	2275	+25
	Nokha	2120	2080	+40
	Sriganganagar	2240-2245	2160	+85
	Shiwani	2040	1960	+80
Guar Gum	Jodhpur	5900	5750	+150

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	414.50	415.00	417.30	+2.80
July	452.80	455.50	467.80	+15.00

Price Movements at Bikaner Vayda

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

WEATHER HIGHLIGHTS (11-05-06)

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

Isolated rain/thundershowers are likely over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated duststorm/thunderstorm are likely over the rest region. Day temperatures over Punjab, Haryana and West Uttar Pradesh are likely to remain around 40-42°C and increase after two days.

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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