

GUAR SEED and GUAR GUM

May 03, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Lower Demand at Higher Prices
- Guar Futures: Reached Near Contact Months' High

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Bullish, moving upwards towards overbought region.
Overall: slightly bullish

Market Outlook:

The guar seed futures are likely to move some 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	2022	2007	2080	2095
June	2104	2086	2188	2205

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2140 with **target** of near 2175, and then near 2192 **Stop loss** at near 2123.

Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Slightly bullish, steady to weak opening
MACD: Slightly bullish, moving upwards
Stochastic: Bullish, moving upwards towards overbought region.
Overall: slightly bullish

Market Outlook:

The guar gum futures are likely to trade some 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	5103	5056	5285	5322
June	5281	5244	5449	5494

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5350 with **target** of near 5400, then near 5425. **Stop loss** at near 5325.

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 some downwards initially following a steady to weak opening and upward movement thereafter.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed sharply upwards trade on increased speculative buying following a weak opening. The futures advanced through continuous buying support and reached at very higher levels. Finally the futures settled near day's high with huge gains. The near month May contract traded in the range of 2002-2058, while the June contract fluctuated in the range of 2079-2158. At the spot markets guar seed was quoted higher at Rs.2070 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher in the range of Rs.1990-2000 per quintal, at the Nokha market, it was offered at Rs.1900 per quintal. At Sriganganagar market it was offered higher at Rs.1950 per quintal, at Shiwani market also it was quoted higher at Rs.1880 per quintal during Tuesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX traded at very higher levels on increased speculative buying following a weak opening. The futures ran into non-stop buying interest through out the day and settled higher near day's high in final action. The near month May contract traded in the range of 5043-5215, while the June contract fluctuated in the range of 5235-5400. At the spot markets guar gum was quoted higher at Rs.5300 per quintal in Jodhpur market during evening session of the trade.

PHYSICAL MARKET SENTIMENTS:

The sentiment on guar in the physical markets remains bullish during Tuesday's trade. The guar seed as well as guar gum mostly traded at higher prices in different spots markets of the country. Sharply bullish sentiments of the futures market due to speculative buying interest mainly underpinning the physical market tone. Steady demand witnessed in the different domestic markets. However, somewhat lower demand has been witnessed at the higher price levels. Millers were not in buying mood at higher prices. The arrivals reportedly steady at lower sides. Steady demand against lower arrivals mainly governing the sentiments of the physical markets. The anticipation of lower rainfall in the months of July-August influencing the buyers. Stockists did not release their stocks. Some of the traders attributed that prices would be fluctuating at the higher levels. In such circumstances; the prices of guar seed as well as guar gum are expected to move some downwards initially following a steady to weak opening and upward movement thereafter.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	01.04.06	02.04.06	Change
Guar Seed	Bikaner	1960	1990-2000	+40
	Jodhpur-B line	2060	2100	+40
	Jodhpur-M line	2035	2075	+40
	Nokha	Closed	1900	-
	Sriganganagar	1950	2009	+59
	Shiwani	1860	1880	+10
Guar Gum	Jodhpur	5175	5300	+125

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	390.30	393.00	398.20	+7.90
July	-	420.00	429.20	-

Price Movements at Bikaner Vayda

Bikaner market witnessed sharply bullish sentiments following a higher opening. The may contract ran into buying support thorough out the day and finally settled near day's high in final action during Tuesday's trade.

WEATHER HIGHLIGHTS (02-05-06)

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

Isolated rain/ thundershowers are likely over Jammu & Kashmir and Himachal Pradesh. Isolated dust-storm/thunderstorm activity is likely over the rest region.

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

Weather will be mainly dry over the region. However, isolated dust storm/thunderstorm may occur over Rajasthan. Temperatures over Rajasthan are likely to remain 42-44 deg Celsius

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