

GUAR SEED and GUAR GUM

May 06, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Sentiments Remains Mixed
- Guar Futures: Profit Booking Capped the Early Gains

TECHNICAL ANALYSIS

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Bearish, moving downwards towards normal region.
Overall: Slightly bearish

Market Outlook:

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

Supports & Resistances - Guar Seed:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	2065	2050	2121	2135
June	2148	2136	2236	2250

Intraday Trade Recommendations:

Sell NCDEX- June Guar Seed near 2194 with **target** of near 2164, and then near 2150 **Stop loss** at near 2200.
Do not carry forward the position until the next day.

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



Chart Indicators:

Candlesticks: Bearish, steady to weak opening
MACD: Bullish, moving upwards
Stochastic: Bearish, moving downwards towards normal region.
Overall: Slightly bearish

Market Outlook:

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

Supports & Resistances - Guar Gum:

Contract	Supp 1	Supp 2	Res 1	Res 2
May	5251	5214	5400	5446
June	5451	5401	5590	5640

Intraday Trade Recommendations:

Sell NCDEX- June Guar Gum near 5540 with **target** of near 5490, then near 5465. **Stop loss** at near 5575.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar seed futures settled at negative territory with losses.

Arrivals at the major markets reported to be steady.

Prices are likely to move some downwards following a steady to weak opening with possibility of late upwards movement.

MARKET COMMENTARY

GUAR SEED:

The guar seed futures at the NCDEX witnessed some upwards trade initially on increased speculative buying support following a firm opening. However, increased profit booking interest at the higher levels capped some of the early gains thereafter. Finally the futures settled lower near day's low with marginal losses. The near month May contract traded in the range of 2096-2131, while the June contract fluctuated in the range of 2186-2230. At the spot markets guar seed was quoted lower in the range of Rs.2180-2200 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered slightly higher at Rs.2048 per quintal, whereas, at the Nokha market, it was offered steady at Rs.1940 per quintal. At Sriganganagar market it was offered lower between Rs.2030-2035 per quintal, at Shiwani market also it was quoted steady in the range of Rs. 1890-1900 per quintal during Friday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed some upwards trade on increased speculative buying following a firm opening. However, the futures pressurised at higher levels and traded downwards thereafter. Finally, the futures managed to settle at positive territory with marginal gains. The near month May contract traded in the range of 5325-5444, while the June contract fluctuated in the range of 5510-5645. At the spot markets guar gum was quoted higher at Rs.5600 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 showed some mix tone during Friday's trade. Some late downwards movement due to Profit booking activities in the futures market cut down the early advancement. This led to some bearish to steady tone in the physical market. The Spot prices had been rising because of speculative buying activities. However, the demand for guar seed in the spot markets was in stable condition. Even, unwillingness of buyers has been witnessed at the higher price levels. The arrivals reportedly steady at lower sides. Steady demand against lower arrivals also 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 buying activities. In such circumstances; the prices of guar seed as well as guar gum are expected to move some downwards following a steady to weak opening with possibility of late upwards movement.

Guar Prices at Major Markets in Rajasthan/Haryana

(Rs./quintal)

Commodity	Centres	05.04.06	04.04.06	Change
	Bikaner	2048	2043	+5
Guar Seed	Jodhpur-B line	2180-2200	2150	+50
	Jodhpur-M line	2155-2175	2125	+50
	Nokha	1940	1940	-
	Sriganganagar	2030-2035	2045-2060	-15
	Shiwani	1890-1900	1900	-
Guar Gum	Jodhpur	5600	5460	+140

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

Contract	Prev. Close	Open	Close	Change
May	407.50	408.50	407.20	-0.30
July	440.50	442.50	437.80	-2.70

Price Movements at Bikaner Vayda

Bikaner market witnessed some upwards trade initially following a firm opening. However, profit-booking interest at the higher levels capped the early advances and traded downwards thereafter. The may contract finally settled at negative territory with marginal losses during Friday's trade.

WEATHER HIGHLIGHTS (05-05-06)

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

Mainly dry weather likely over the region. Day temperatures over Punjab, Haryana and West Uttar Pradesh are likely to range between 42-44°C with heat wave conditions over some areas.

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

Isolated rain/thundershowers are likely over Marathwada, south Madhya Maharashtra and south Konkan & Goa. Isolated duststorm may occur over Rajasthan towards evening/night. Mainly dry weather over the rest region. Temperatures over Rajasthan are likely to remain 42-45°C.

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