

GUAR SEED and GUAR GUM

May 11, 2006

MAJOR ACTIVITY HIGHLIGHTS

- Guar Physical Market: Remains Bullish Following Futures
- Guar Futures: Traveled to a New Height on Buying Support

TECHNICAL ANALYSIS

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

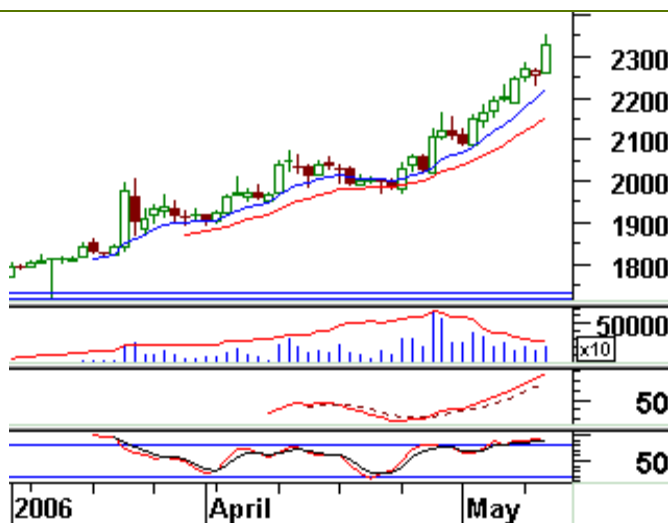


Chart Indicators:

Candlesticks: Bullish, steady to firm opening
MACD: Bullish, moving upwards
Stochastic: Slightly bearish, 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 | 2187 | 2168 | 2272 | 2298 |
| June | 2284 | 2261 | 2380 | 2399 |

Intraday Trade Recommendations:

Buy NCDEX- June Guar Seed near 2318 with **target** of near 2348, and then near 2363 **Stop loss** at near 2303.
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: Slightly bearish, moving downwards after crossing the overbought region
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 | 5555 | 5495 | 5706 | 5774 |
| June | 5741 | 5689 | 5945 | 5997 |

Intraday Trade Recommendations:

Buy NCDEX- June Guar Gum near 5787 with **target** of near 5847, then near 5877. **Stop loss** at near 5757.
Do not carry forward the position until the next day.

FUNDAMENTAL ANALYSIS

SALIENT POINTS OF THE DAY

Guar futures settled at positive territory 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 upwards trade on increased speculative buying following a weak opening. Buying support led the futures to test fresh contract months' high on the early hours. Finally the futures settled higher at positive territory with huge gains. The near month May contract traded in the range of 2163-2247, while the June contract fluctuated in the range of 2261-2351. At the spot markets guar seed was quoted higher in the range of Rs.2300 per quintal in Jodhpur market during evening session of the trade. At the Bikaner market it was offered higher at Rs.2200 per quintal, at the Nokha market, it was offered higher at Rs.2080 per quintal. At Sriganaganagar market it was offered higher Rs.2160 per quintal, at Shiwani market also it was quoted higher also in the range of Rs. 1960 per quintal during Wednesday's trade.

GUAR GUM:

The guar gum futures at the NCDEX witnessed sharply upwards trade on increased speculative buying support following a firm opening. The futures ran into continuous buying support and built a new top. The futures settled at positive territory with huge gains at final action. The near month May contract traded in the range of 5518-5705, while the June contract fluctuated in the range of 5695-5909. At the spot markets guar gum was quoted much higher at Rs.5750 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 remain firm during Wednesday's trade following a somewhat lower to steady sentiments on previous day. The spot prices remain at some higher sides on sharply bullish trading activities in the futures market. However, traders have been reporting lower demand in higher price levels. Millers were somewhat active during Wednesday's trade. 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 as reported by some traders. The arrival remains steady at lower levels. Steady arrivals amidst somewhat higher demand underpinning the market tone. 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 | 10.04.06 | 09.04.06 | Change |
|-----------|----------------|----------|-----------|--------|
| | Bikaner | 2200 | 2125 | +75 |
| Guar Seed | Jodhpur-B line | 2300 | 2250-2260 | +40 |
| | Jodhpur-M line | 2275 | 2225-2235 | +40 |
| | Nokha | 2080 | 2048 | +32 |
| | Sriganganagar | 2160 | 2130 | +30 |
| | Shiwani | 1960 | 1940 | +20 |
| Guar Gum | Jodhpur | 5750 | 5650 | +100 |

BIKANER GUAR VAYDA

Guar Prices at Bikaner Vayda

(Rs./ 20 kg)

| Contract | Prev. Close | Open | Close | Change |
|----------|-------------|--------|--------|--------|
| May | 411.40 | 415.60 | 414.30 | +2.90 |
| July | 447.20 | 454.70 | 451.30 | +4.10 |

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 at positive territory with huge gains during Wednesday's trade.

WEATHER HIGHLIGHTS (10-05-06)

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

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

Isolated rain/thundershowers are likely over south Madhya Maharashtra and south Konkan & Goa. Isolated duststorm may occur over Rajasthan. Mainly dry weather over the rest region.

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