

GUAR SEED and GUAR GUM

23-28 April, 2007

MAJOR ACTIVITY HIGHLIGHTS

- **Guar Futures: Weak With Bearish Undertone**
- **Spot Market Witnessed Weak Sentiment**

MARKET COMMENTARY OF MAJOR MARKETS

Guar Physical Market

Guar spot market witnessed weak sentiment during the week under review. The prices of both guar seed and guar gum tumbled amidst weak demand from exporters. Continuing weakness in Dollar against Rupee hurting exports, which in turn lead to lack of interest from exporter. Consequently millers and stockists activity remained silent during the period. Thus, no major uptrend is expected in prices until unless the Dollar improves. On other hand forecast of normal to better rains by overseas agencies also imparted bearishness in the market. However, Indian Metrological Department (IMD) predicted 95% normal monsoon with chances of 5% deficiency, which likely to impart bullishness. Ample stocks at the moment are also weighing on the prices, as no one at the moment is interested to buy. Other fundamental remains bullish in the market. Total arrivals reportedly stood at around 4000-5000 bags. At the Bikaner market guar seed was quoted in the range of Rs.1760-1860 per quintal, while in Jodhpur, it was offered at Rs. 1870-1990 per quintal. At Jodhpur, market prices of guar gum stood in the range of Rs. 4670 - 4865 per quintal during this week.

Guar Futures Market

MCX and NCDEX Guar futures witnessed weak sentiment with bearish undertone during the week under review. Guar seed June contract at MCX tested a high of Rs 2087/qrtl and traded downwards thereafter on increased selling pressure and made the contract low at Rs 1857/qrtl during the period. The volumes increased significantly, whereas open interest declined marginally during the period. In the NCDEX the June contract tested a high of Rs 2087/qrtl and tumbled thereafter on increased selling pressure and made the contract low at Rs 1857/qrtl. Both the volume and open interest declined during the period. Stock position of guar seed at MCX and NCDEX warehouse stood at 8660.982 MT and 32,419 MT, as on 26-April-2007.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Particular	Centre	Date		Change
		28.04.07	21.04.07	
Guar Seed	Bikaner	1760	1860	-100
	Jodhpur	1860	1990	-130
	Nokha	1750	1845	-95
	Sriganganagar			
Guar Gum	Jodhpur	4625	4935	-310

Price Movement of Guar Seed and Gum at NCDEX

(Prices in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
21.04.07	1905.40	1902.35	4937.50
23.04.07	1890.90	1893.80	4924.70
24.04.07	1830.00	1840.60	4751.65
25.04.07	1798.35	1811.95	4709.40
26.04.07	1807.25	1826.80	4731.60
27.04.07	1771.65	1781.05	4623.15
Change	-133.75	-121.30	-314.35

Guar Seed Futures Prices at NCDEX

Dates	May-Contract		June-Contract		July-Contract	
	Open	Close	Open	Close	Open	Close
21.04.07	2059	2035	2115	2089	2170	2140
23.04.07	2030	2003	2081	2057	2130	2107
24.04.07	1990	1888	2040	1937	2095	1985
25.04.07	1861	1893	1940	1944	1990	1992
26.04.07	1897	1868	1941	1915	1995	1963
27.04.07	1870	1844	1914	1891	1967	1937

Guar Gum Futures Prices at NCDEX

Dates	May. Contract		June-Contract		July-Contract	
	Open	Close	Open	Close	Open	Close
21.04.07	5025	4919	5134	5032	5235	5167
23.04.07	4872	4796	4990	4925	5094	5023
24.04.07	4762	4558	4915	4656	5000	4760
25.04.07	4530	4605	4640	4697	4800	4801
26.04.07	4600	4551	4695	4648	4795	4774
27.04.07	4569	4508	4572	4617	4750	4711

PRICE DRIVERS:

1. Higher production as compared to previous year
2. Sluggish demand from Millers and Exporters
3. Strengthening Rupee Vs Dollar
4. Reports of ample stock in market
5. Lower stock position with Pakistan
6. Higher prices of guar seed & guar gum in Pakistan
7. Expectation of higher exports in long term

OUTLOOK:

Short Term (1 Week): Prices are expected to remain on lower side due to weak demand from millers and exporters coupled with weakness in Dollar.

Medium Term (1 Month): Steady to slightly firm amidst expectation of higher export demand and improvement in dollar coupled with 2nd forecast of monsoon by IMD

Long Term (3 Months): Steady due expectation of bumper production

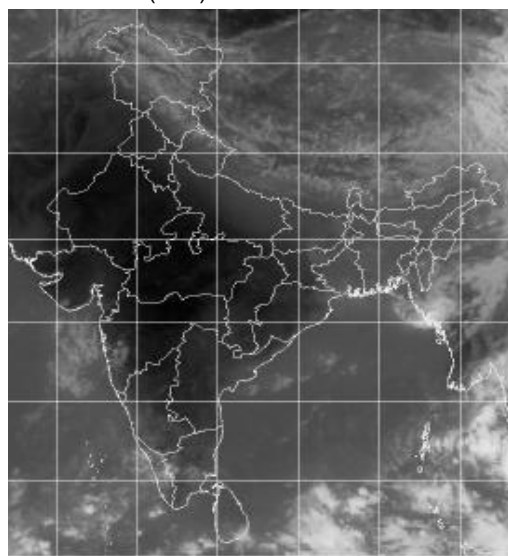
METEOROLOGICAL ANALYSIS (25.04.07)

- A trough in the westerlies at times with embedded cyclonic circulation ran from Sub-Himalayan West Bengal & Sikkim to north Orissa/north Bay of Bengal in lower tropospheric levels throughout the week.
- Last week's cyclonic circulation over West Uttar Pradesh and adjoining West Madhya Pradesh at lower levels lay over East Uttar Pradesh and neighbourhood on 19th, over Jharkhand and adjoining Bihar and West Bengal on 20th, central West Bengal and neighbourhood on 21st and became less marked on 22nd.
- A cyclonic circulation lay over East Rajasthan and adjoining West Madhya Pradesh extending upto 1.5 Km a.s.l. on 19th & 20th and became less marked on 21st.
- Another cyclonic circulation lay over north Pakistan and adjoining Jammu & Kashmir and Punjab on 22nd extending upto 2.1 Km a.s.l. It lay over Himachal Pradesh and adjoining Uttarakhand on 23rd and moved away eastward on 24th. However a fresh cyclonic circulation lay over central Pakistan and neighbourhood extending upto 0.9 Km a.s.l. on 24th. It lay over central Pakistan and adjoining Rajasthan on 25th.
- A north-south oriented trough at times with embedded cyclonic circulation at lower levels ran across south peninsula throughout the week.

Outlook For The Week Ending On May 2nd 2007

- Gradual rise in day temperature leading to heat wave conditions over some parts of northwest, central and east India during second half of the week.
- Decrease in rainfall activity over northeastern states.

Source: GOI (IMD)



SATELLITE PICTURE OF MONSOON PROGRESS (28.04.07)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX May Contract

Candlestick: Formation of Candlestick pattern exhibits bearish sentiment.

Stochastic: The stochastic is in oversold region and moving downwards.

MACD: MACD is in negative region and moving downwards.

Market Outlook:

The guar seeds futures are likely to remain range bound with weak bias on strengthening rupee against dollar. However, slight improvement is expected on profit booking at lower level.



TECHNICAL ANALYSIS

Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX May Contract

Candlestick: Formation of Candlestick pattern exhibits slightly bullish sentiment.

Stochastic: The stochastic is in oversold region and moving sideways

MACD: MACD is in negative region and moving downwards

Market Outlook:

The guar gum futures are likely to remain range bound with weak bias on strengthening rupee against dollar. However, slight improvement is expected on profit booking at lower level.



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd