

GUAR SEED and GUAR GUM

9-14 April, 2007

MAJOR ACTIVITY HIGHLIGHTS

- **Guar Futures: Firm with Bullish Tone**
- **Spot Market Witnessed Firm Sentiment**

MARKET COMMENTARY OF MAJOR MARKETS

Guar Physical Market

Guar spot market witnessed on an average firm sentiment during the week under review. The prices of both guar seed and guar gum quoted higher across the major trading centers on the back of increasing overseas demand. Sources reported US and European countries have placed some fresh orders for guar gum and demand from China is also featured. Consequently exporters and millers remained active in the market and stockists were releasing stocks at a higher level. Also there are some reports of stockists' holding back, in anticipation of better prices on increased export demand in the days to come. Guar Gum exports for fiscal 2006-07 are now estimated at 210000 tonnes against 184000 tonnes during the previous year. On other hand arrivals reportedly stood steady at 4000-5000 bags. Prices are likely to remain firm in the coming days on increasing overseas and domestic demand against the higher quotes of guar seed by stockists. At the Bikaner market guar seed was quoted in the range of Rs.1865-1900 per quintal, while in Jodhpur, it was offered at Rs. 1995 - 2035 per quintal. At Jodhpur, market prices of guar gum stood in the range of Rs. 4950 - 5000 per quintal during this week.

Guar Futures Market

MCX and NCDEX Guar futures witnessed firm sentiment during the week. Guar seed futures at MCX tested a low of Rs 2010/qrtl and traded upwards thereafter on increased buying interest and tested a high of Rs 2114/qrtl. The volumes increased marginally, whereas open interest declined slightly during the period. In the NCDEX the most active May contract tested a low of Rs 2033/qrtl and traded upward thereafter on increased buying interest testing a high of Rs 2134/qrtl. Both the volume and open interest increased during the period. Stock position of guar seed at MCX and NCDEX warehouse stood at 8631.092 MT and 28433 MT, as on 12-April-2007.

Spot Market Prices of Guar in Main Markets of Rajasthan

(Prices in Rs/qt)

Particular	Centre	Date		Change
		14.04.07	07.04.07	
Guar Seed	Bikaner	1950	1890	+60
	Jodhpur	2065	2015	+50
	Nokha	1890	1860	+30
	Sriganganagar			
Guar Gum	Jodhpur	5125	4975	+150

Price Movement of Guar Seed and Gum at NCDEX

(Prices in Rs/qt)

Dates	Bikaner	Jodhpur	Guar Gum
07.04.07	1892.00	1907.30	4964.70
09.04.07	1904.45	1904.35	4962.00
10.04.07	1886.45	1895.00	4959.05
11.04.07	1890.50	1897.35	4939.60
12.04.07	1910.00	1913.70	4970.85
13.04.07	1918.45	1921.05	4987.50
14.04.07	1978.35	1963.70	5125.00
Change	+86.35	+56.40	+160.30

Guar Seed Futures Prices at NCDEX

Dates	April. Contract		May. Contract		June-Contract	
	Open	Close	Open	Close	Open	Close
06.04.07	2025	2025	2093	2087	2150	2138
07.04.07	2020	1993	2084	2057	2130	2104
09.04.07	1988	2008	2053	2072	2101	2125
10.04.07	2008	1984	2075	2043	2126	2092
11.04.07	1990	1998	2044	2055	2094	2106
12.04.07	1995	2011	2056	2071	2105	2124
13.04.07	2020	2046	2075	2125	2127	2187

Guar Gum Futures Prices at NCDEX

Dates	April. Contract		May. Contract		June-Contract	
	Open	Close	Open	Close	Open	Close
06.04.07	5028	4984	5121	5098	5234	5201
07.04.07	4970	4933	5155	5044	5200	5141
09.04.07	4920	4974	5047	5079	5170	5178
10.04.07	4998	4944	5080	5026	5180	5111
11.04.07	4974	4933	5032	5032	5051	5143
12.04.07	4953	4945	5040	5059	5151	5187
13.04.07	4965	5040	5084	5181	5185	5303

PRICE DRIVERS:

1. Higher production as compared to previous year
2. Good demand from Millers and Exporters
3. Increasing overseas demand
4. Lower stock position with Pakistan
5. Higher prices of guar seed & guar gum in Pakistan
6. Stockists releasing their stocks at higher prices
7. Expectation of higher exports in long term

OUTLOOK:

Short Term (1 Week): Prices are expected to remain firm on increasing overseas and domestic demand

Medium Term (1 Month): Firm on anticipation of rising exports demand coupled with higher quotes of guar seed by stockists

Long Term (3 Months): Bullish amidst expectation of higher export demand amidst meager arrivals.

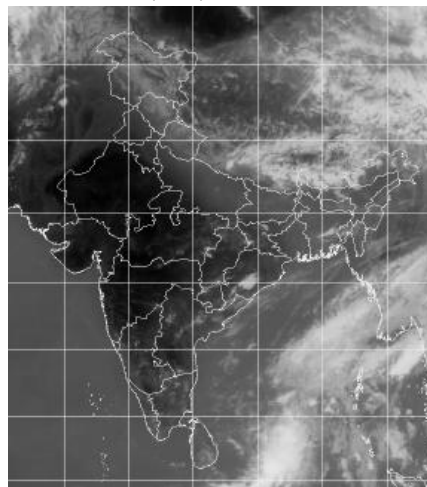
METEOROLOGICAL ANALYSIS (14.04.07)

- A cyclonic circulation lay over Comorin area with a trough from the system extending to south Tamil Nadu at lower levels during 5-8th. Under the influence of the cyclonic circulation, a low pressure area developed over Comorin area on 9th. The associated cyclonic circulation extended upto mid-tropospheric level. The low pressure area became less marked on 10th. However, the associated cyclonic circulation lay over Sri Lanka and neighbourhood extending upto mid-tropospheric level. Again, it was seen as a low pressure area over Gulf of Mannar and neighbourhood with associated cyclonic circulation extending upto mid-tropospheric level on 11th.
- A cyclonic circulation lay over south Pakistan and adjoining West Rajasthan extending upto 1.5 km a.s.l. on 6th. It lay over West Rajasthan and neighbourhood on 7th, central Rajasthan and neighbourhood on 8th, central Madhya Pradesh on 9th, Chhattisgarh on 10th and Bihar on 11th.
- A trough in the westerlies in lower tropospheric levels ran from Bihar to north Orissa on 5th & 6th and from Bihar to north Bay on 7th. An embedded cyclonic circulation lay over north Orissa and Gangetic West Bengal on 5th and Jharkhand and adjoining Bihar on 6th and 7th. The cyclonic circulation extending upto 0.9 km a.s.l with a trough aloft lay over Bangladesh and adjoining Assam & Meghalaya on 8th, Assam & Meghalaya and neighbourhood on 9th, Assam & Meghalaya and adjoining Nagaland, Manipur, Mizoram & Tripura on 10th and Arunachal Pradesh and neighbourhood on 11th.

Outlook For The Week Ending On April 18th 2007

- Gradual rise in day temperatures over northwest and central India leading to heat wave conditions in some areas.
- Scattered rainfall activity over northeastern States and extreme south Peninsula.
- Generally dry weather conditions over northwest and central India.

Source: GOI (IMD)



SATELLITE PICTURE OF MONSOON PROGRESS (14.04.07)

TECHNICAL ANALYSIS

Commodity: Guar Seed

Perspective: Very Short Term (Weekly)

NCDEX May Contract

Candlestick: Formation of Candlestick pattern exhibits bullish sentiment.

Stochastic: The stochastic is in neutral region and moving upwards.

MACD: MACD is in negative region and moving upwards.

Alignment pattern: The alignment pattern of moving averages is supporting the sideways movement with firm biasness.

Market Outlook:

The guar seeds futures are likely to remain range bound with firm undertone on improved overseas and domestic demand. However, profit-taking interest would pressurize the tone at higher levels.



TECHNICAL ANALYSIS

Commodity: Guar Gum

Perspective: Very Short Term (Weekly)

NCDEX May Contract

Candlestick: Formation of Candlestick pattern exhibits bullish sentiment.

Stochastic: The stochastic is in neutral region and rising

MACD: MACD is in negative region and moving upwards

Alignment pattern: The alignment pattern of moving averages is supporting the sideways movement with weak biasness.

Market Outlook:

The guar gum futures are likely to remain rangebound with firm undertone on improved overseas and domestic demand. However, profit-taking interest would pressurize the tone at higher levels.



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