

Domestic Market Recap:

- Almost all major spot markets of Guar remained closed during the week due to Holi Festival.
- Meanwhile, guar farmers are presently busy in their chana, mustard and wheat crop harvesting which is the major factor for decline in arrivals of guar in the mandis.
- Trade sources are expecting higher arrivals of raw materials in the coming days which might give some pressure on the prices.
- Meanwhile, small farmers which needs money urgently already brought their stocks in the guar mandis. Now only big stockists/farmers are holding guar seed stocks who anticipate increase in price of guar in the coming month.
- AP farmers haven't got expected yield from guar seed crop this year owing to heavy rainfall in the region. It is notable that farmers in AP get lured from guar prices last year and experiment guar crop first time in their respective fields.
- Guar sowing likely to start most probably in the first week of April in parts of Punjab, Haryana, Rajasthan and Gujarat. It is notable that farmers which have the facility of irrigation might sown guar in their vacant fields/plots considering lucrative prices of guar seed.

Current Market Dynamics

Guar seed and guar gum prices are hovering in a range with firm tone during the week. Lower arrivals due to holi festival led the prices up in key spot markets.

Some big millers are trying to urge farmers to release their stocks in this month. However, demand from exporters is increasing M-o-M basis as reported which might led the prices up couple of weeks time.

Arrivals were higher in various mandis during the week compared to prior week. Prices are likely to trend towards Rs.12000/Qtl. Average arrival in the country is reported to be around 21000 bags this week.

Oil and gas companies in the overseas markets have stocked up guar gum and are currently purchasing less guar gum powder around current levels. Export demand is expected to be lower during the season compared to last season. According to trade sources, export demand for guar gum is expected around Rs.27000/Qtl levels.

Export and Import Scenario

Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

However, as far as monthly exports are concerned, In the month of February 2013, exports of guar gum (split, powder and meal) were reported to be 38819.67 metric tons which is higher compared to 28949 metric tonnes exported in January 2013, according to IBIS.

According to the President of Indian Guar Gum Manufacturer's Association, exports in the current season are likely to decline by 30 percent compared to 650,000 metric tonnes during the previous season.

Crop Outlook

According to the first advance estimates of Rajasthan agricultural department, guar production in the current season is estimated at 16.57 lakh metric tonnes compared to 12.5 lakh metric tonnes in the previous season. According to the first advance estimates of Haryana agricultural department, guar production in the current season is estimated at 3.75 lakh metric tonnes compared to 2.0 lakh metric tonnes in the previous season.

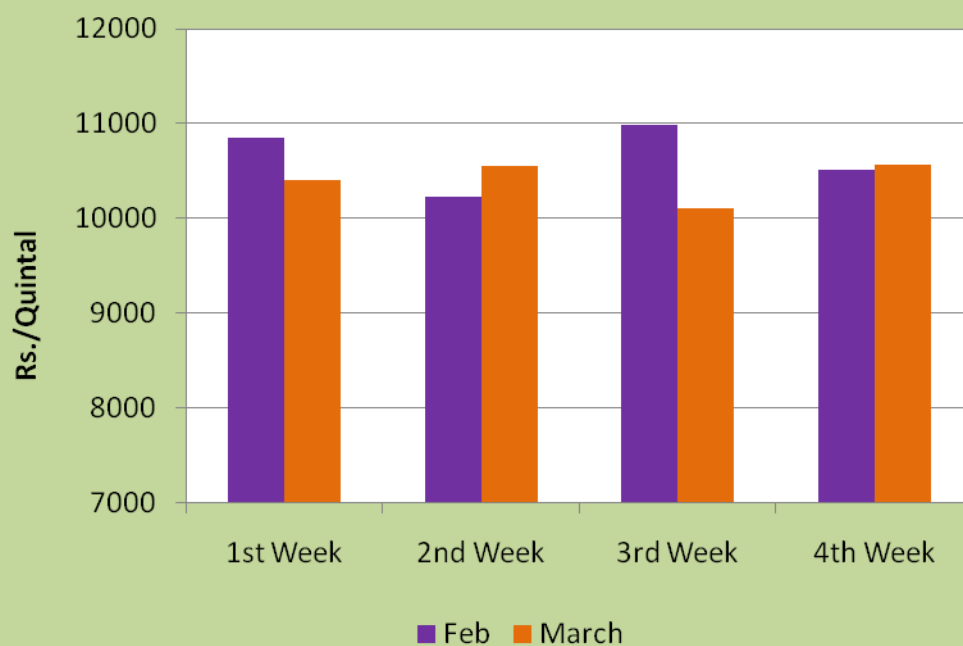
In the current season, onset of south –west monsoon was delayed in the growing regions. However there has been good rainfall in August and September 2012. Lack of rains in certain growing regions during the month of October has affected the crop. Based on rainfall during June –October, there could be around 30 -40% crop damage in parts of Rajasthan, Haryana and Gujarat. Based on this, Agriwatch's production estimates of guar seed is expected to be around 20.-23 lakh metric tonnes in the current season compared to the initial estimates of 28 -30 lakh metric tonnes.

According to a field survey conducted by Agriwatch team in three major guar producing states, output in Rajasthan is expected to be around 14 -16 lakh metric tonnes, in Haryana around 4 lakh metric tonnes and in Gujarat around 2.5 lakh metric tonnes. Other states like Maharashtra, Madhya Pradesh. Andhra Pradesh are also contributing some small amount during this season. According to sources around 200 -300 quintals in Madhya Pradesh and around 800 -900 quintals of guar seed in Andhra Pradesh is expected during the current season.

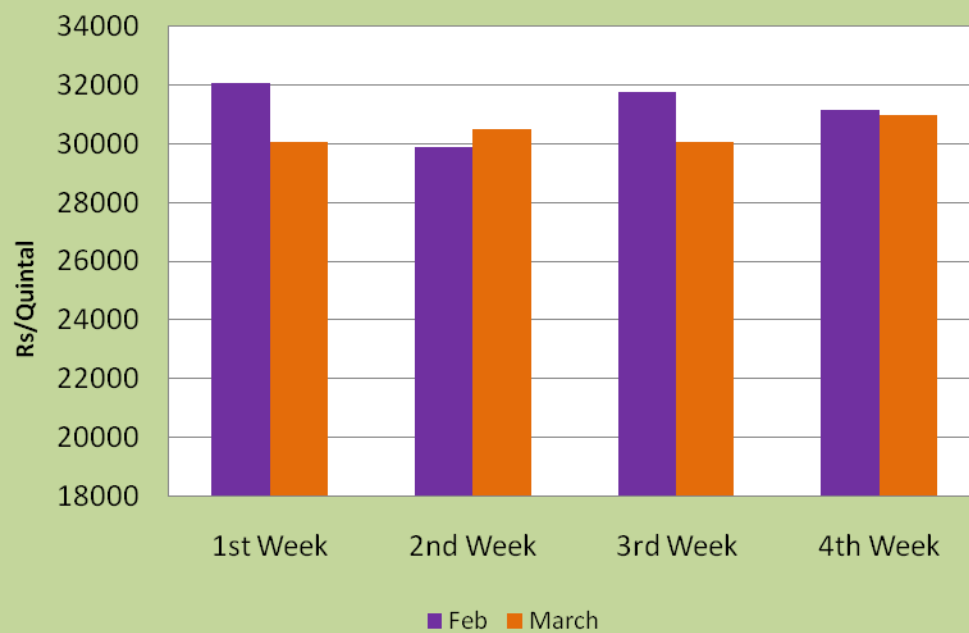
Price Scenario

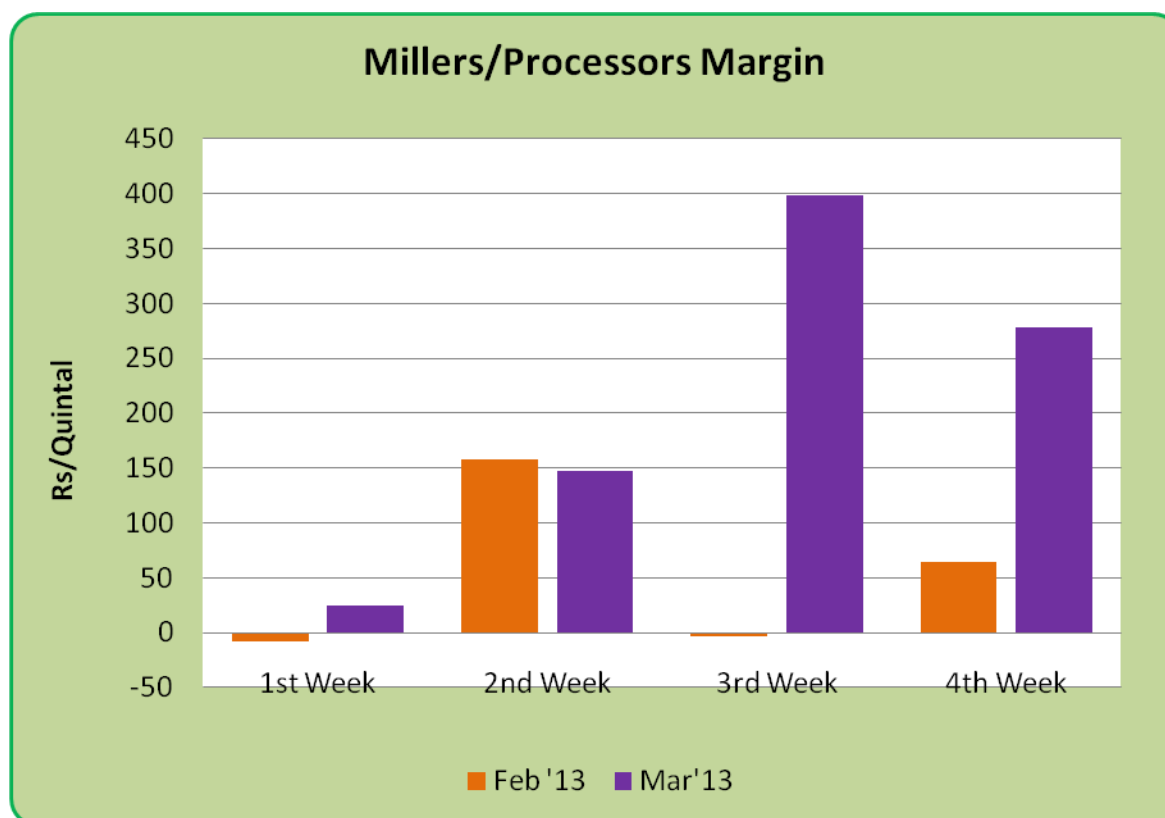
Guar seed and guar gum weekly average prices improved during the week. In the fourth week of March, the average price of guar seed improved by 5% to Rs.10560/Qtl compared to prior week and that of guar gum improved by 3% to Rs.30972/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

Guar seed Weekly Average Price



Guar gum Weekly Average Price



Millers/Processors Margin

As seen in the chart above, the average crushing margin of guar seed decreased compared to previous week. In the fourth week of March, average crush margin stood at Rs.278.32/Quintal compared to previous week's crush margin of Rs. 399/Quintal. Margin is expected to decrease in the coming days.

Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
		29.03.2013	22.03.2013	
Guar Seeds	Jodhpur (Delivery)	11000	10100	900
	Jodhpur (Loose)	10450	9600	850
	Bikaner (Loose)	10300	9750	550
	Bikaner (Delivery)	10500	10000	500
	Nokha (Loose)	10100	9700	400
	Hanumangarh (Loose)	10250	9750	500
	Sri-Ganganagar (Delivery)	10500	10000	500
	Adampur (Loose)	10500	9800	700
	Sirsa (Loose)	10500	9800	700
	Bhiwani (Delivery)	10300	9800	500
	Deesa (Loose)	-	9430	-
	Nagaur (Loose)	10000	9400	600
	Dhabwali (Loose)	10400	9500	900
Guar Gum	Jodhpur	31400	30000	1400
	Bhiwani	32200	30300	1900
	Dhabwali	32000	29000	3000

Guar by – Products Prices:

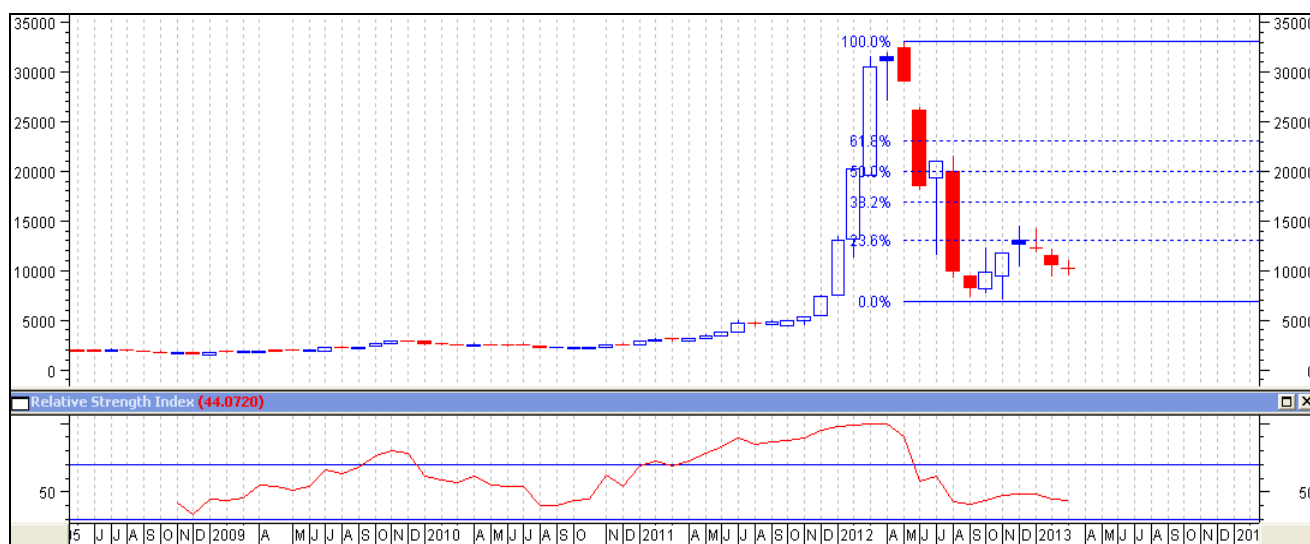
Commodity	Centre	Price in Rs/75Kg	
		29.03.2013	22.03.2013
Churi	Jodhpur	1200	1225
Korma	Jodhpur	1650	1750

Guar Export Prices:

Commodity	Variety	\$/MT	
		29.03.2013	22.03.2013
Guargum Split		5701	5522
Guargum Powder	200 Mesh 5000 CPS	6436	6258
	200 Mesh 3500 CPS	6252	6074
Guargum Meal	40%	320	320

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	29.03.2013	22.03.2013	
Jodhpur	17500	58000	-40500
Bikaner	1700	5300	-3600
Nokha	1300	7400	-6100
Hanumangarh	1400	10800	-9400
Sri-Ganganagar	6700	21000	-14300
Adampur	19500	28000	-8500
Sirsa	270	1500	-1230
Bhiwani	12600	11300	1300
Deesa	430	1524	-1094
Nagaur	150	280	-130
Dhabwali	1200	18200	-17000

Spot Market Technical Analysis of Guar seed & Guar gum

Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

Guar seed prices witnessed range bound movement with weak tone. Presently, prices are hovering in between Rs 7150 to Rs 14600, RSI is moving in between oversold and neutral region. Prices not seems bullish at present. Also, last candlestick depicts bearishness in the market.

Prices are likely to move in range with weak tone in the near term. Market participants should plan accordingly.

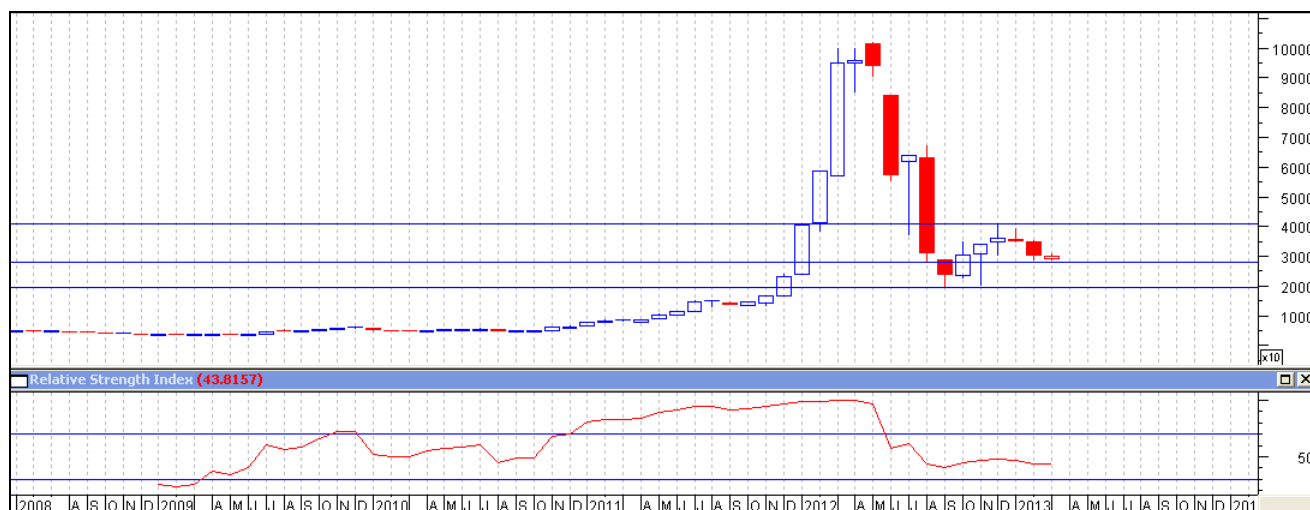


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

Guar gum prices moved in tandem with guar seed prices and closed lower. Prices moved towards Rs.30000/Qtl levels. Prices are likely to continue the current weak tone. Prices will find support around Rs.27000/Qtl levels. The next support is at Rs.25000/Qtl levels. On the upside there is resistance at Rs.33000/Qtl and Rs.35000/Qtl levels respectively. Buyers are advised to wait

Prices are likely to stand in the existing range with weak tone as expected.

Spot Market Outlook:

We expect prices to move up from current level due to fresh demand from exporter's end and is likely to increase from 15th March. Market sources confirmed that bargaining of the price continue and we expect some deals for export in the third and fourth week of this month. One two major deals for export would support seed price once again as guar seed is ruling at lower level.

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