

**Domestic Market Recap:**

- Guar prices declined sharply during the week ended 15<sup>th</sup> April 2013. Higher arrivals compared to last week led the prices decline.
- FMC said that it would take a decision on re-listing guar futures contracts by end of this month.
- FOB prices at Houston is quoting at \$7500 per ton as reported.
- Farmers in Khajuwala (Bikaner) holding around 1.4 lac bags of guar seed with them as reported.
- 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.

**Current Market Dynamics**

Guar seed and guar gum prices are hovering in a range with weak tone during the week

Arrivals were higher in various mandis during the week compared to prior week. Prices are currently moving in a range. Cumulative arrivals in the country of guar seed are reported to be around 201005 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.

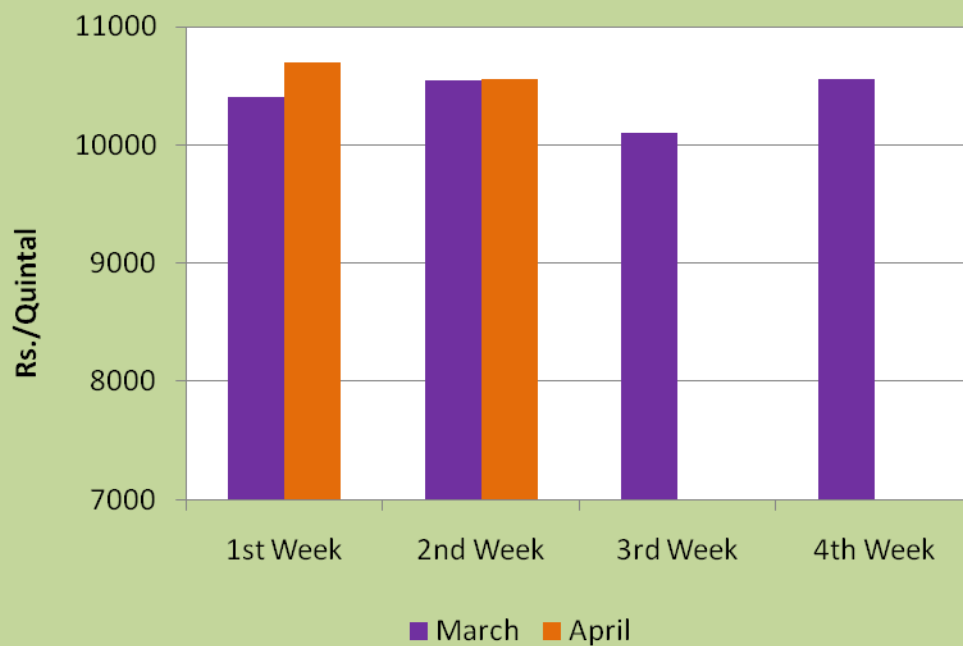
According to a field survey conducted by Agriwatch team in three major guar producing states, output in Rajasthan is expected to be around 14 -16 lakh metric tonnes, in Haryana around 4 lakh metric tonnes and in Gujarat around 2.5 lakh metric tonnes. Other states like Maharashtra, Madhya Pradesh. Andhra 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.

Meanwhile, 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.

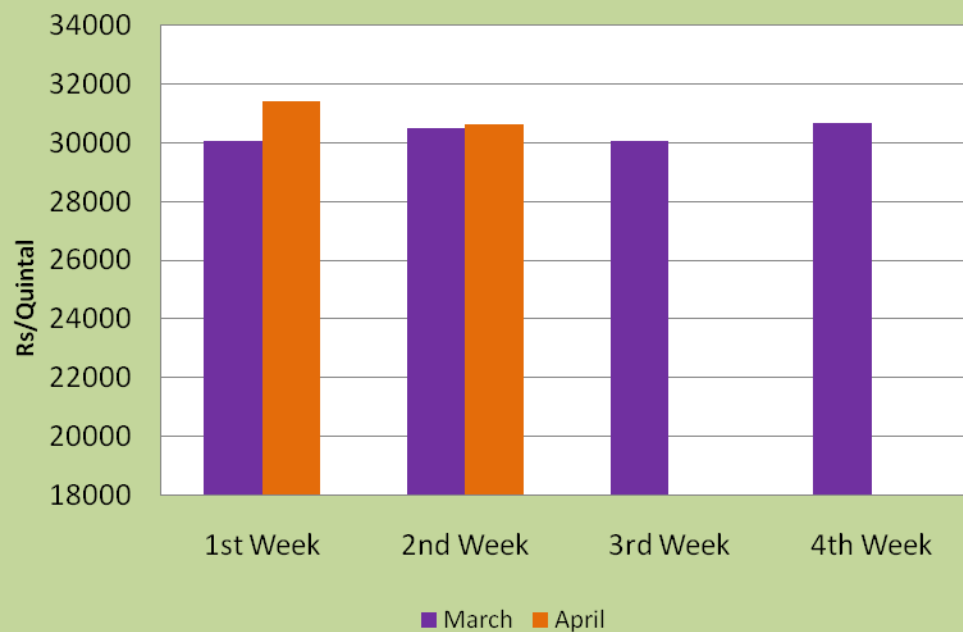
## Price Scenario

Guar seed and guar gum weekly average prices declined during the week. In the second week of April, the average price of guar seed declined by 1% to Rs.10558/Qtl compared to prior week and that of guar gum declined by 3% to Rs.30616/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

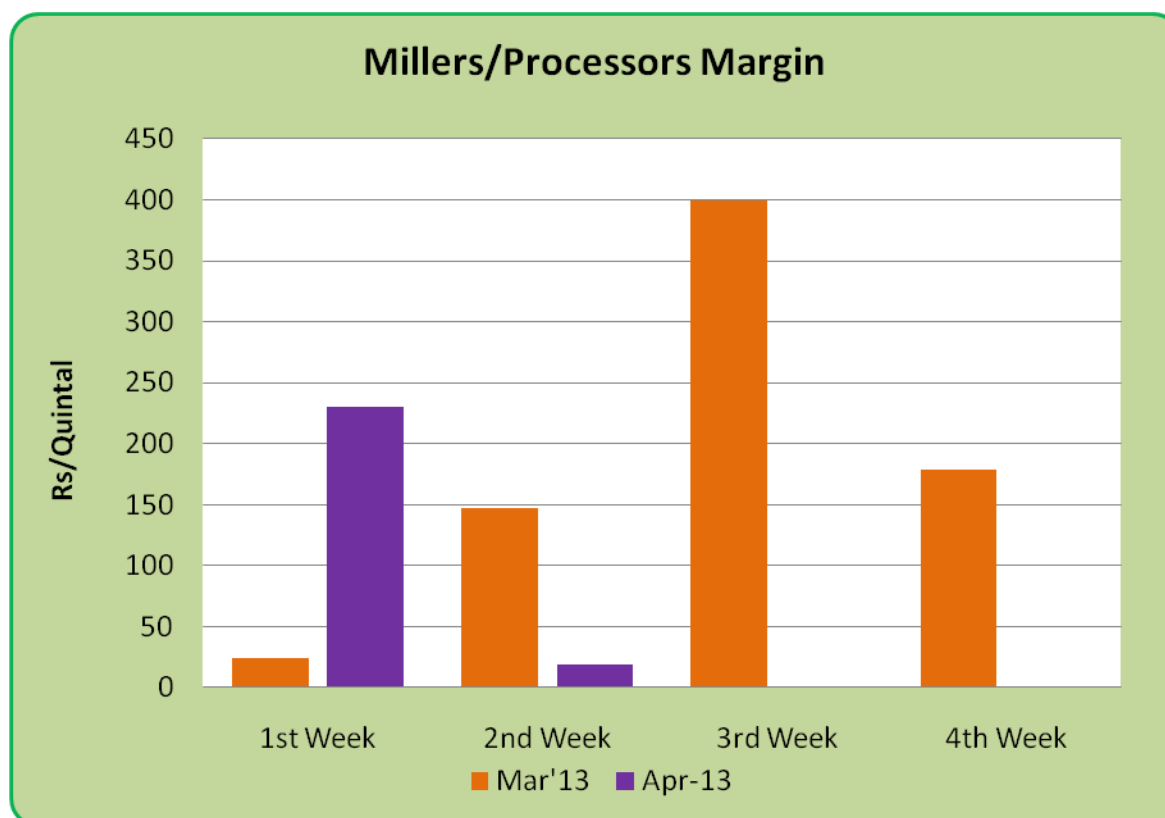
### Guar seed Weekly Average Price



### 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 second week of April 2013, average crush margin stood at 18.44 Rs. /Quintal compared to previous week's crush margin of Rs. 230.66/Quintal. Higher degree of decline in Guar gum prices compared to guar seed prices decrease the margin. Margin is expected to decrease in the coming days.

**Guar Prices at Key Spot Markets**

Commodity	Centre	Prices (Rs/Qtl)		Change
		12-04-13	05-04-13	
Guar Seeds	Jodhpur(Delivery)	10600	10650	-50
	Jodhpur (Loose)	10100	10200	-100
	Sri-Ganganagar (Delivery)	10600	10500	100
	Sri-Ganganagar(Loose)	10000	10200	-200
	Alwar (loose)	9500	9800	-300
	Churu (Delivery)	10000	10400	-400
	Nagaur (Loose)	9450	10100	-650
	Adampur (Loose)	10200	10300	-100
	Sirsa (Loose)	10300	10500	-200
	Bhiwani (Delivery)	10400	10400	Unch
	Patan (Loose)	9925	10405	-480
	Deesa (Loose)	9600	10220	-620
	Rajkot (Loose)	9755	10180	-425
	Nokha (Delivery)	10100	10460	-360
	Nokha(Loose)	9900	10100	-200
	Hanumangarh (Delivery)	9950	10500	-550
	Hanumangarh (Loose)	9900	10200	-300
	Dhabwali (Delivery)	10000	10800	-800
	Dhabwali (Loose)	9800	10300	-500
	Bikaner (Delivery)	10300	10600	-300
	Bikaner (Loose)	9950	10200	-250
	Khajuwala Bikaner (Delivery)	10300	10500	-200
	Khajuwala Bikaner (Loose)	9990	10250	-260
	Dabra	9600	9800	-200
Guar Gum	Jodhpur	30500	31600	-1100
	Sirsa	30000	31200	-1200
	Alwar	30500	31500	-1000
	Bhiwani	30600	31300	-700
	Dhabwali	30400	31500	-1100

**Guar by – Products Prices:**

Commodity	Centre	Price in Rs/75Kg	
		12.04.2013	05.04.2013
Churi	Jodhpur	1150	1150
Korma	Jodhpur	1575	1625

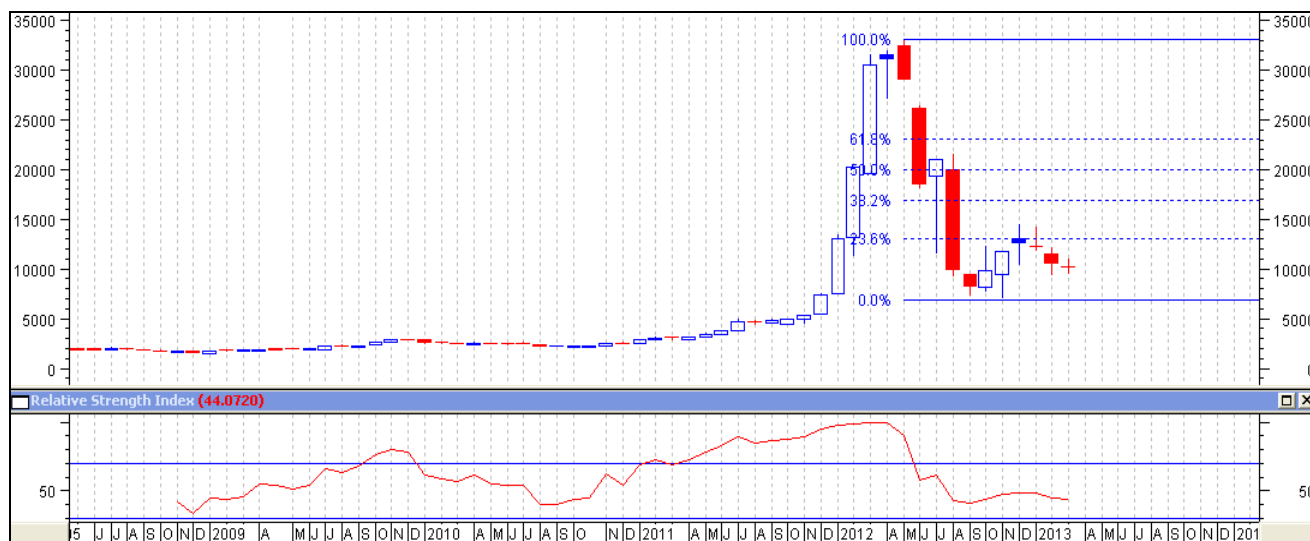
**Guar Export Prices:**

Commodity	Variety	\$/MT	
		12.04.2013	05.04.2013
Guargum Split		5518	5701
Guargum Powder	200 Mesh 5000 CPS	6253	6436
	200 Mesh 3500 CPS	6070	6252
Guargum Meal		320	320

**Guar Cumulative Arrivals in Key Centers**

Centre	Arrivals (Quintals)		Change
	12-04-13	05-04-13	
Jodhpur	114000	28500	85500
Sri-Ganganagar	7350	14900	-7550
Alwar	1700	1700	Unch
Churu	1550	2600	-1050
Nagaur	925	625	300
Adampur	14000	22500	-8500
Sirsa	1120	570	550
Bhiwani	6800	10100	-3300
Patan	280	154	126
Deesa	2490	452	2038
Rajkot	4390	5005	-615
Nokha	4400	1250	3150
Hanumangarh	8000	10000	-2000
Dhabwali	17000	4800	12200
Bikaner	8000	7000	1000
Khajuwala Bikaner	7500	6800	700
Dabra	1500	1550	-50
<b>Total Arrival</b>	<b>201005</b>	<b>118506</b>	<b>82499</b>

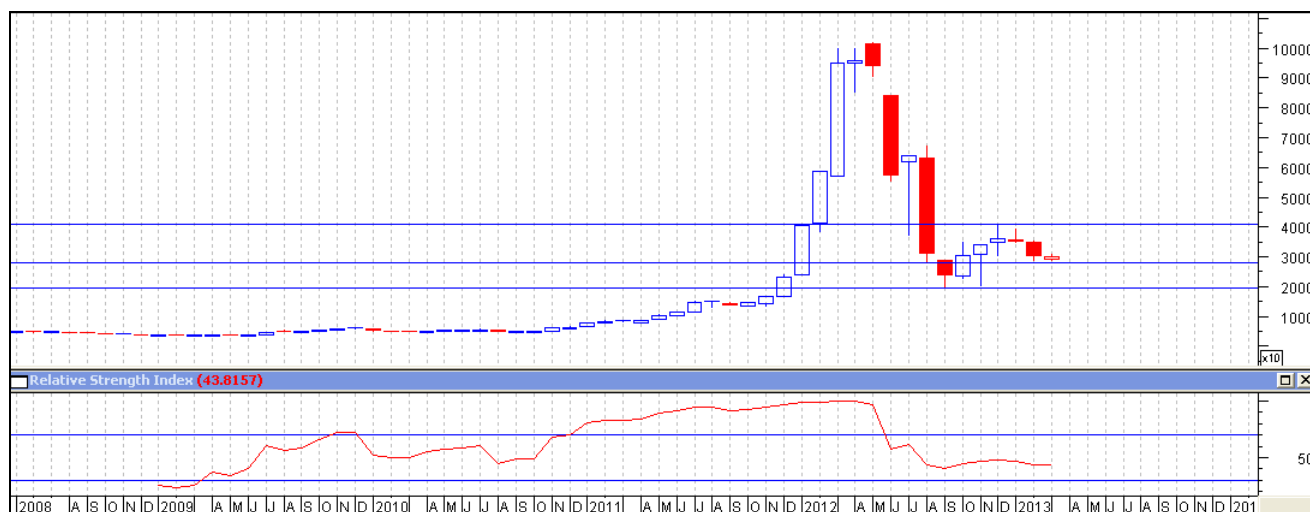
## Spot Market Technical Analysis of Guar seed & Guar gum



**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 as expected.**

**Spot Market Outlook:**

We expect prices to move up from current level as rumors of re-launch of guar contracts in NCDEX platform in the last week of April urge farmers to hold guar stocks which are anticipating higher prices in future.

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