

Domestic Market Recap:

- Guar prices declined sharply during the week ended 18th April 2013. Weak demand led the prices slightly down this week.
- Market is waiting for FMC decision over re-launch of guar contracts in NCDEX platform. If it opens then prices would rise initially as expected.
- Guar gum split prices hovering at Rs 304/ kg as reported. Export demand is good from overseas.
- Rumors of re-launch of guar contracts in NCDEX platform urge farmers to hold guar stocks which are anticipating higher prices in future.
- FOB prices at Houston is quoting at \$7500 per ton as reported.

Current Market Dynamics

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

Prices declined despite of lower Arrivals 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 175991 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.

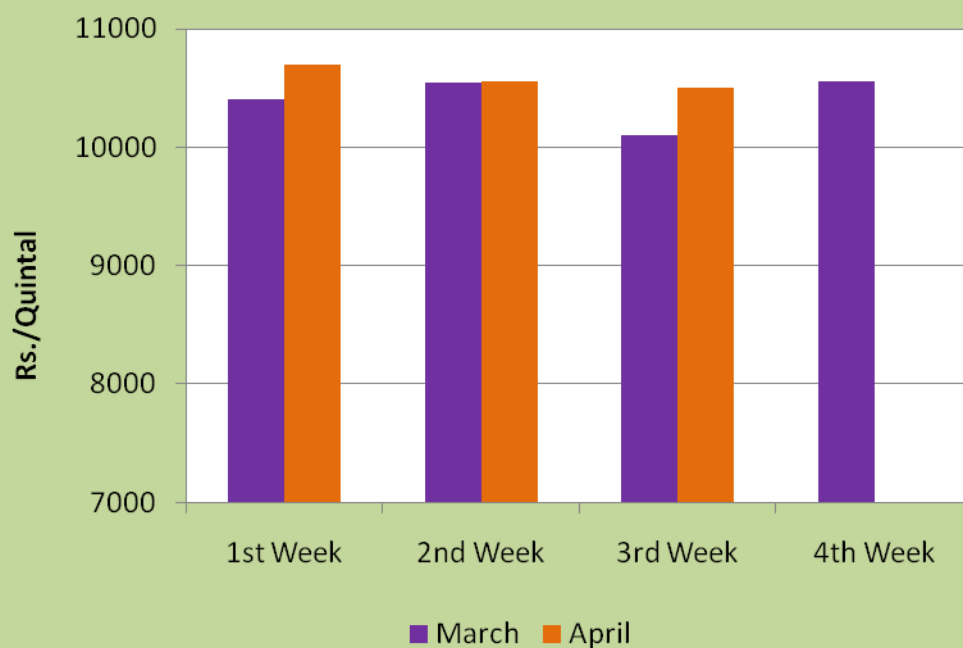
According to a field survey conducted by Agriwatch team in three major guar producing states, output in Rajasthan is expected to be around 14 -16 lakh metric tonnes, in Haryana around 4 lakh metric tonnes and in Gujarat around 2.5 lakh metric tonnes. Other states like Maharashtra, Madhya Pradesh. Andhra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

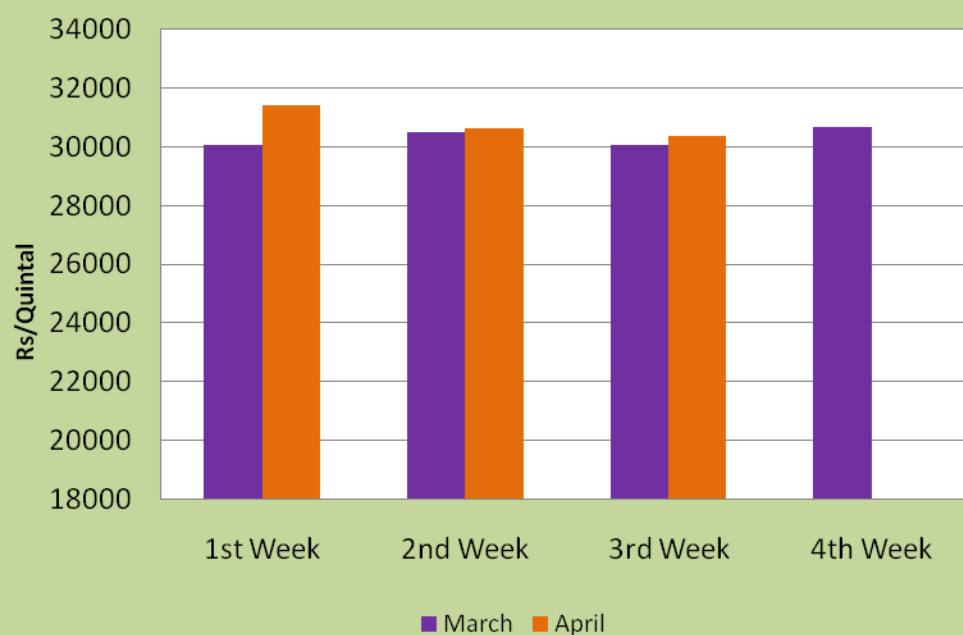
Price Scenario

Guar seed and guar gum weekly average prices declined during the week. In the third week of April, the average price of guar seed declined by 1% to Rs.10500/Qtl compared to prior week and that of guar gum declined by 1% to Rs.30380/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

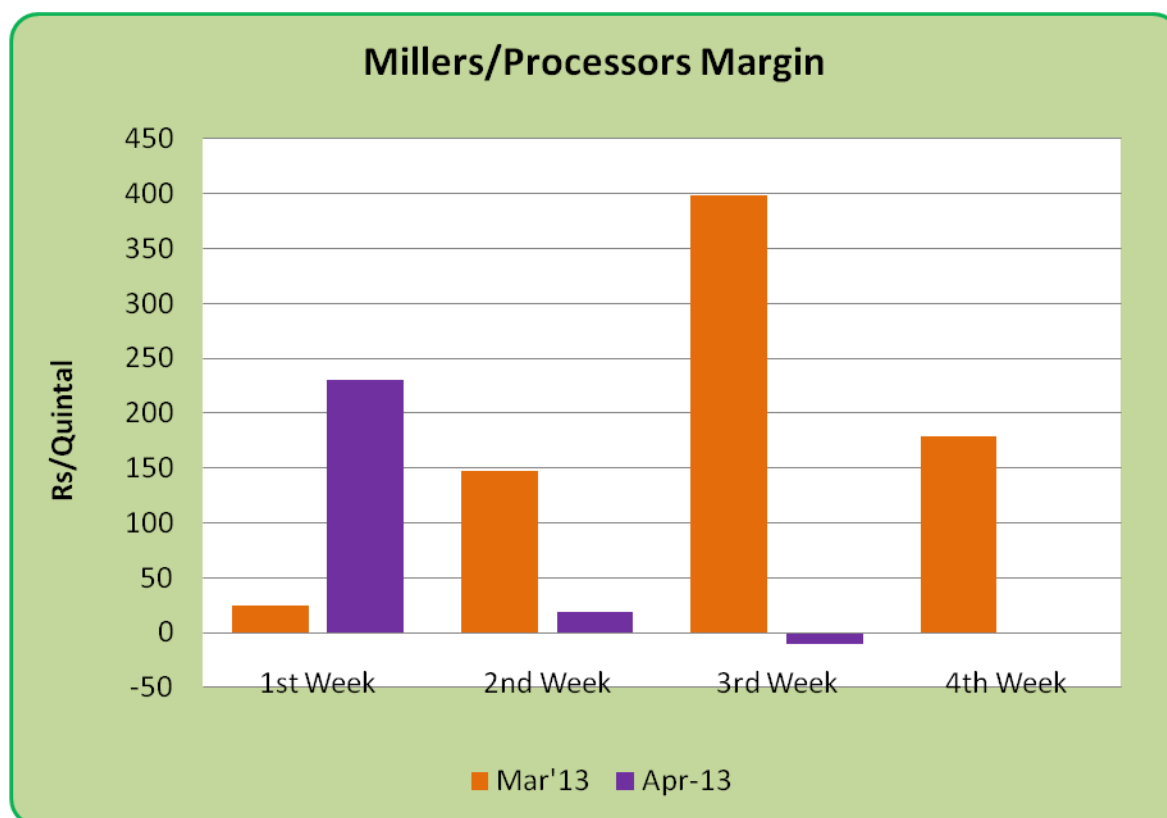
Guar seed Weekly Average Price



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 third week of April 2013, average crush margin stood at -10.53 Rs. /Quintal compared to previous week's crush margin of Rs. 18.44/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
		20-04-13	12-04-13	
Guar Seeds	Jodhpur(Delivery)	10100	10600	-500
	Jodhpur (Loose)	9600	10100	-500
	Sri-Ganganagar (Delivery)	10000	10600	-600
	Sri-Ganganagar(Loose)	9700	10000	-300
	Alwar (loose)	9000	9500	-500
	Churu (Delivery)	9500	10000	-500
	Nagaur (Loose)	9600	9450	150
	Adampur (Loose)	9600	10200	-600
	Sirsa (Loose)	10000	10300	-300
	Bhiwani (Delivery)	9600	10400	-800
	Patan (Loose)	9610	9925	-315
	Deesa (Loose)	9500	9600	-100
	Rajkot (Loose)	9350	9755	-405
	Nokha (Delivery)	9945	10100	-155
	Nokha(Loose)	9600	9900	-300
	Hanumangarh (Delivery)	10000	9950	50
	Hanumangarh (Loose)	9500	9900	-400
	Dhabwali (Delivery)	10000	10000	Unch
	Dhabwali (Loose)	9500	9800	-300
	Bikaner (Delivery)	10600	10300	300
	Bikaner (Loose)	9400	9950	-550
	Khajuwala Bikaner (Delivery)	10000	10300	-300
	Khajuwala Bikaner (Loose)	9600	9990	-390
	Dabra	9200	9600	-400
Guar Gum	Jodhpur	30200	30500	-300
	Sirsa	30000	30000	Unch
	Alwar	29500	30500	-1000
	Bhiwani	29300	30600	-1300
	Dhabwali	30300	30400	-100

Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		20.04.2013	12.04.2013
Churi	Jodhpur	1150	1150
Korma	Jodhpur	1575	1575

Guar Export Prices:

Commodity	Variety	\$/MT	
		20.04.2013	12.04.2013
Guargum Split		5635	5518
Guargum Powder	200 Mesh 5000 CPS	6302	6253
	200 Mesh 3500 CPS	6117	6070
Guargum Meal		320	320

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	20-04-13	12-04-13	
Jodhpur	116000	114000	2000
Sri-Ganganagar	12000	7350	4650
Alwar	1100	1700	-600
Churu	1800	1550	250
Nagaur	350	925	-575
Adampur	13000	14000	-1000
Sirsa	150	1120	-970
Bhiwani	3900	6800	-2900
Patan	96	280	-184
Deesa	2300	2490	-190
Rajkot	4395	4390	5
Nokha	1000	4400	-3400
Hanumangarh	1500	8000	-6500
Dhabwali	4100	17000	-12900
Bikaner	8000	8000	Unch
Khajuwala Bikaner	4800	7500	-2700
Dabra	1500	1500	Unch
Total Arrival	175991	201005	-25014

Spot Market Technical Analysis of Guar seed & Guar gum

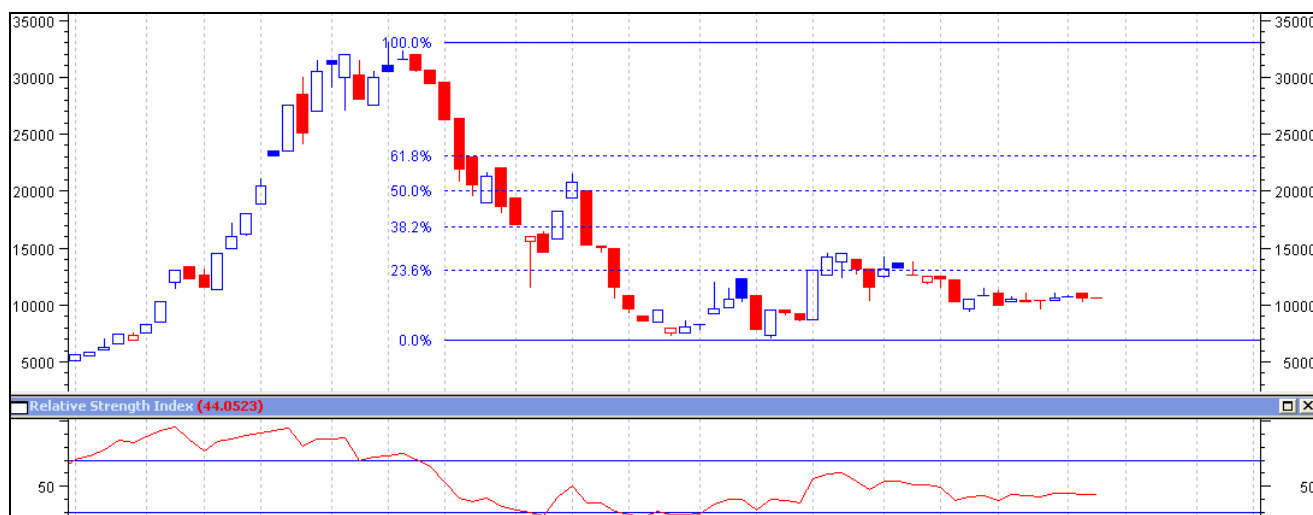


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

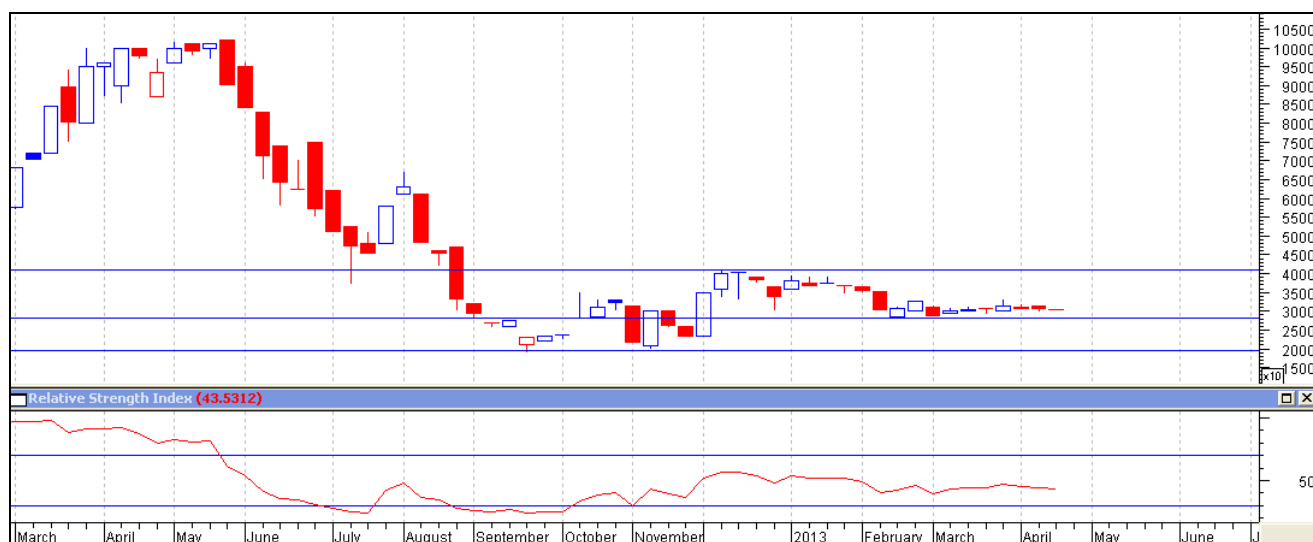


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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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