

Domestic Market Recap:

- Guar prices declined sharply during the week ended 29th April 2013. Weak demand led the prices slightly down this week. In addition to it, Higher crop expectations of Summer guar crop led the prices downwards.
- As far as monthly exports are concerned, In the month of March 2013, exports of guar gum (split, powder and meal) were reported to be 47345 metric tons which is higher compared to 38819.67 metric tonnes exported in February 2013, according to IBIS.
- Market expect sharp rise in guar prices if FMC re list guar contracts on NCDEX platform. However, if FMC not permit the relisting of guar contracts then prices would fall as big farmers would make panic selling in the open markets 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.

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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.

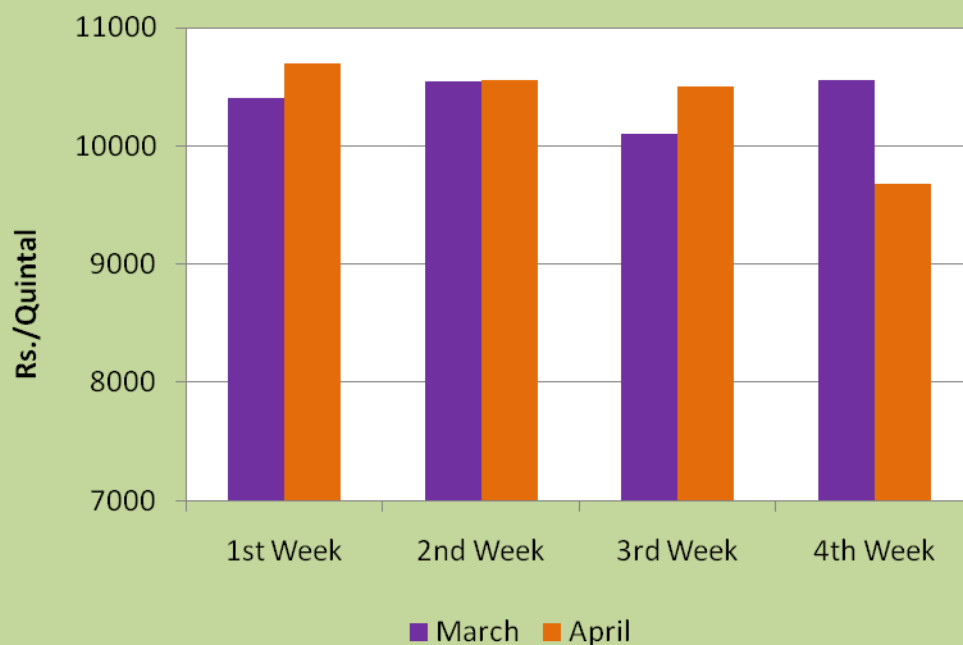
According to a field survey conducted by Agriwatch team in three major guar producing states, output in Rajasthan is expected to be around 14 -16 lakh metric tonnes, in Haryana around 4 lakh metric tonnes and in Gujarat around 2.5 lakh metric tonnes. Other states like Maharashtra, Madhya Pradesh. Andhra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

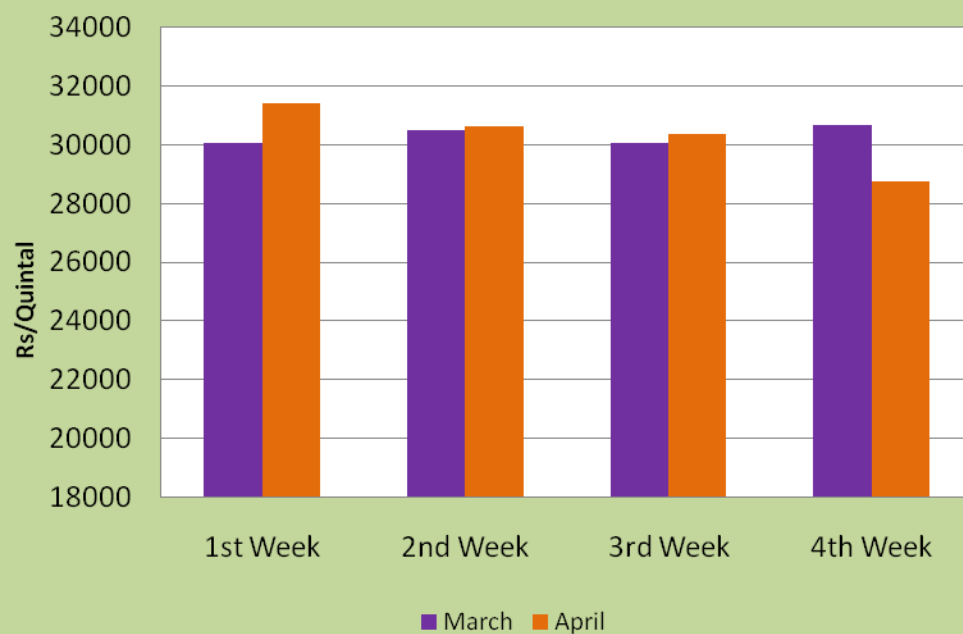
Price Scenario

Guar seed and guar gum weekly average prices declined during the week. In the fourth week of April, the average price of guar seed declined by 8% to Rs.9683/Qtl compared to prior week and that of guar gum declined by 5% to Rs.28750/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

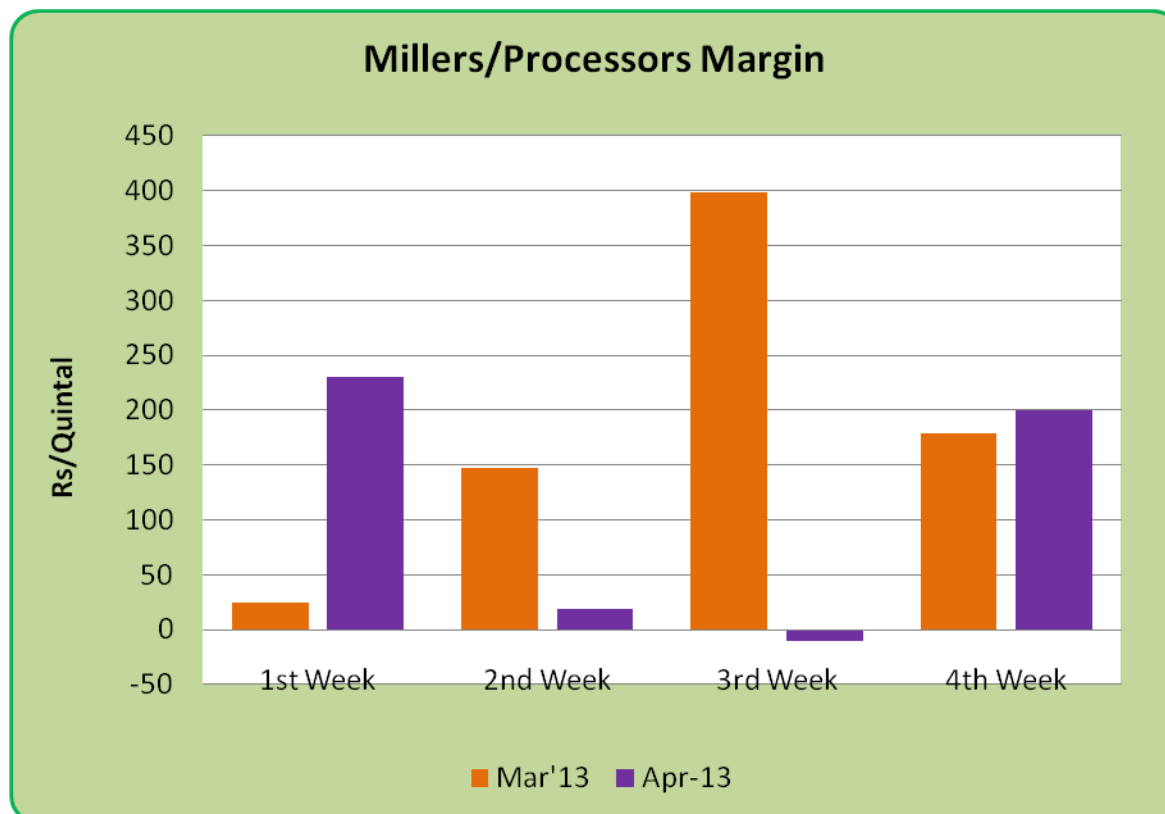
Guar seed Weekly Average Price



Guar gum Weekly Average Price



Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed increased compared to previous week. In the fourth week of April 2013, average crush margin stood at Rs. 200 /Quintal compared to previous week's crush margin of Rs. -10.53/Quintal. Higher degree of decline in Guar seed prices compared to guar gum 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
		26-04-13	20-04-13	
Guar Seeds	Jodhpur(Delivery)	9200	10100	-900
	Jodhpur (Loose)	8900	9600	-700
	Sri-Ganganagar (Delivery)	8600	10000	-1400
	Sri-Ganganagar(Loose)	8200	9700	-1500
	Alwar (loose)	8000	9000	-1000
	Churu (Delivery)	8500	9500	-1000
	Nagaur (Loose)	8100	9600	-1500
	Adampur (Loose)	8400	9600	-1200
	Sirsa (Loose)	9500	10000	-500
	Bhiwani (Delivery)	8650	9600	-950
	Patan (Loose)	8750	9610	-860
	Deesa (Loose)	-	9500	-
	Rajkot (Loose)	8600	9350	-750
	Nokha (Delivery)	8700	9945	-1245
	Nokha(Loose)	8400	9600	-1200
	Hanumangarh (Delivery)	-	10000	-
	Hanumangarh (Loose)	-	9500	-
	Dhabwali (Delivery)	-	10000	-
	Dhabwali (Loose)	8600	9500	-900
	Bikaner (Delivery)	8600	10600	-2000
	Bikaner (Loose)	8350	9400	-1050
	Khajuwala Bikaner (Delivery)	8800	10000	-1200
	Khajuwala Bikaner (Loose)	8400	9600	-1200
	Dabra	9000	9200	-200
Guar Gum	Jodhpur	28300	30000	-1700
	Sirsa	28000	29500	-1500
	Alwar	26500	29300	-2800
	Bhiwani	27200	30300	-3100
	Dhabwali	26000	10100	15900

Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		26-04-13	20-04-13
Churi	Jodhpur	900	1150
Korma	Jodhpur	1475	1575

Guar Export Prices:

Commodity	Variety	\$/MT	
		26-04-13	20-04-13
Guargum Split		4881	5635
Guargum Powder	200 Mesh 5000 CPS	5526	6302
	200 Mesh 3500 CPS	5342	6117
Guargum Meal		240	320

Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	26-04-13	20-04-13	
Jodhpur	59000	116000	-57000
Sri-Ganganagar	7200	12000	-4800
Alwar	1000	1100	-100
Churu	1800	1800	Unch
Nagaur	350	350	Unch
Adampur	6000	13000	-7000
Sirsa	150	150	Unch
Bhiwani	1700	3900	-2200
Patan	176	96	80
Deesa	-	2300	-
Rajkot	1746	4395	-2649
Nokha	1000	1000	Unch
Hanumangarh	-	1500	-
Dhabwali	-	4100	-
Bikaner	7000	8000	-1000
Khajuwala Bikaner	5700	4800	900
Dabra	800	1500	-700
Total Arrival	93622	175991	-82369

Spot Market Technical Analysis of Guar seed & Guar gum

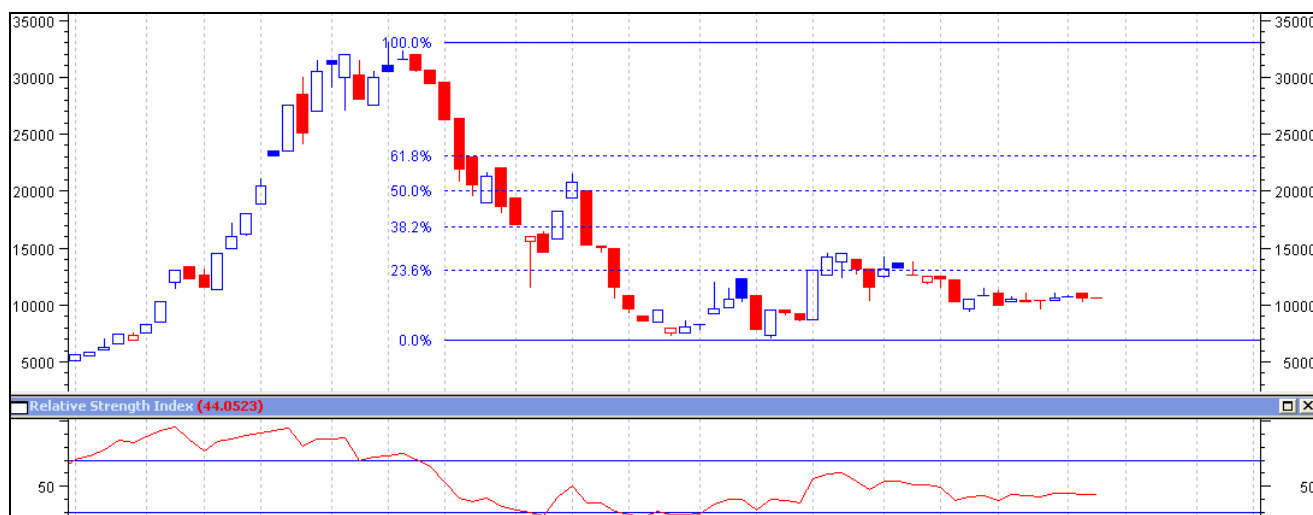


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

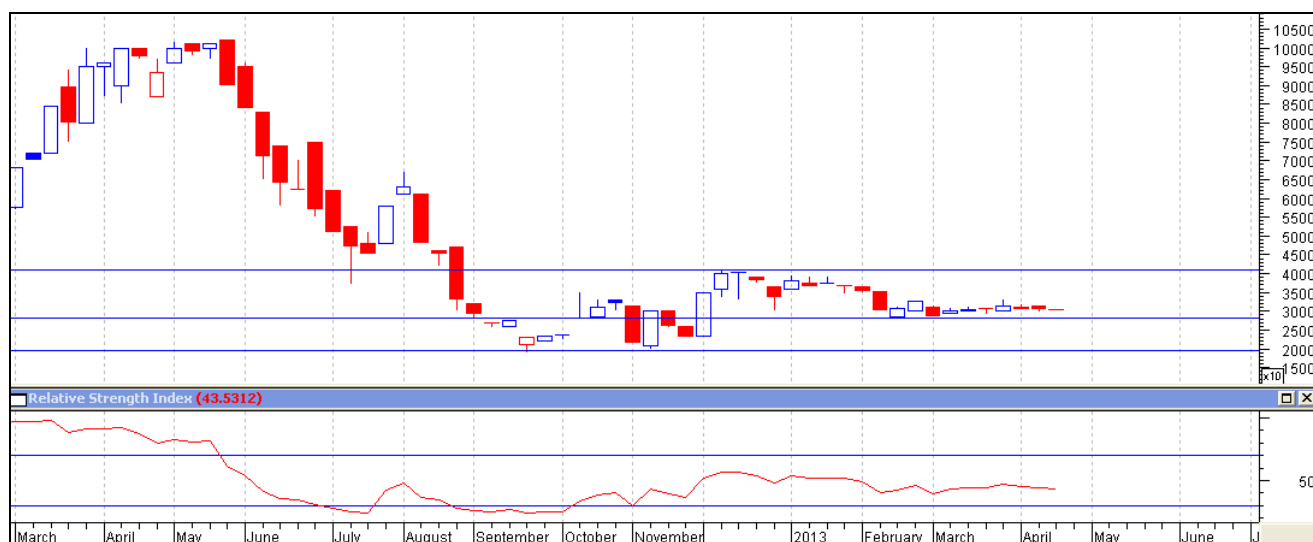


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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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