

**Domestic Market Recap:**

- Guar seed as well as gum prices has tested Rs 7000-7500 level and likely to test Rs 6000 level in spot markets in the coming week as expected.
- Daily around 20000 quintals of guar seed arrive in various Gujarat guar markets as reported. It is notable that arrivals of guar from Gujarat region will come till next 2 months which would fulfill 3 months requirement as reported.
- Guar from Haryana is the next guar crop which would hit the market after 3 months which is just after the end of guar arrivals from Gujarat.
- Around 15% holding of guar has been reported from Jaisalmer region Rajasthan till date. Farmers are thinking to shift towards other crop from guar in their fields for the next year. High temperature damage the guar crop in the region as reported.
- Guar sowing likely to increase near to Bikaner and Ganga nagar districts as cotton sowing already delayed by 15 days and there are strong possibilities that farmers would shift towards guar in this region.
- Market participants expect prices to test Rs 6000 level in the coming weeks considering increasing supply and dull demand.

**Current Market Dynamics**

Guar seed and guar gum prices have declined sharply during the week

Cummulative arrivals in the country of guar seed are reported to be around 153000 bags this week which is lower compared to last 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.

**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.

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.

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.

### Demand Side of Guar and Guar Gum:

It is notable that guar prices are falling owing to weak domestic demand. Higher crop expectations of Summer crop led the prices downwards.

As far as exports are concerned, around 30% of the total guar production has been exported towards China and US. It is notable that US Houston are offering FOB at \$7500 per ton as reported.

Monthly Guar Exports (2012-13)	Quantity in Tons
April- Sept	319000
Oct	23000
Nov	15000
Dec	25000
Jan	28949
Feb	38819
March	47345

### Crop Outlook

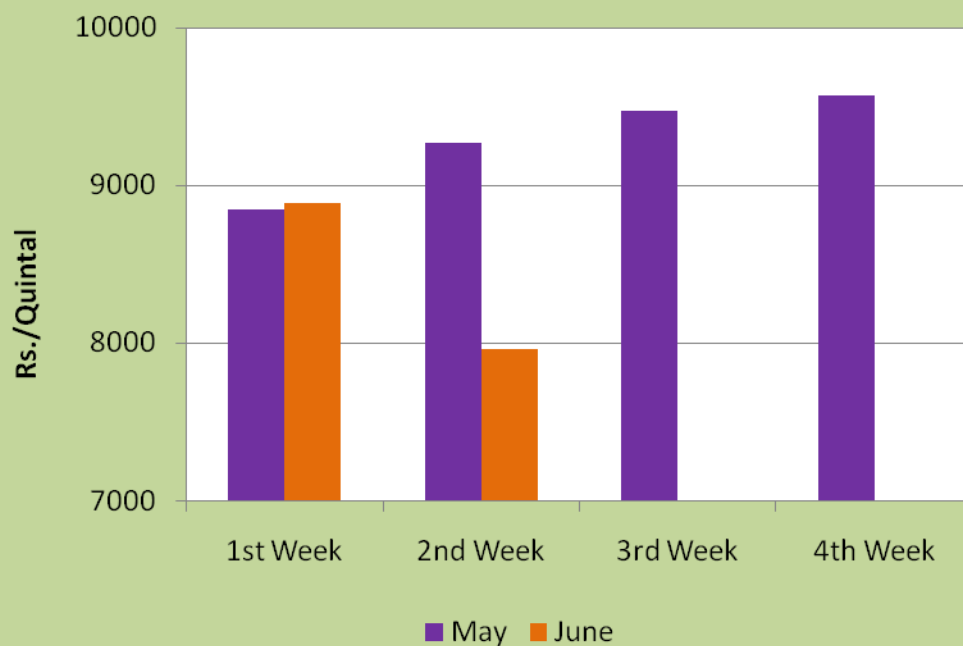
As per our initial survey conduct by Agriwatch, Guar sowing likely to increase near to Bikaner and Ganga nagar districts as cotton sowing already delayed by 15 days and there are strong possibilities that farmers would shift towards guar in this region.

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.

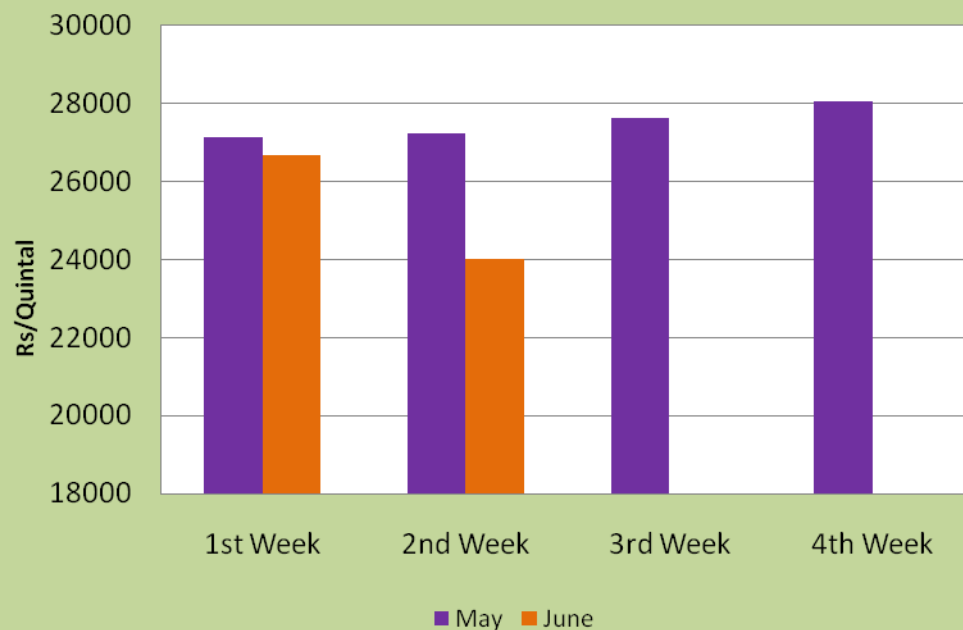
### Price Scenario

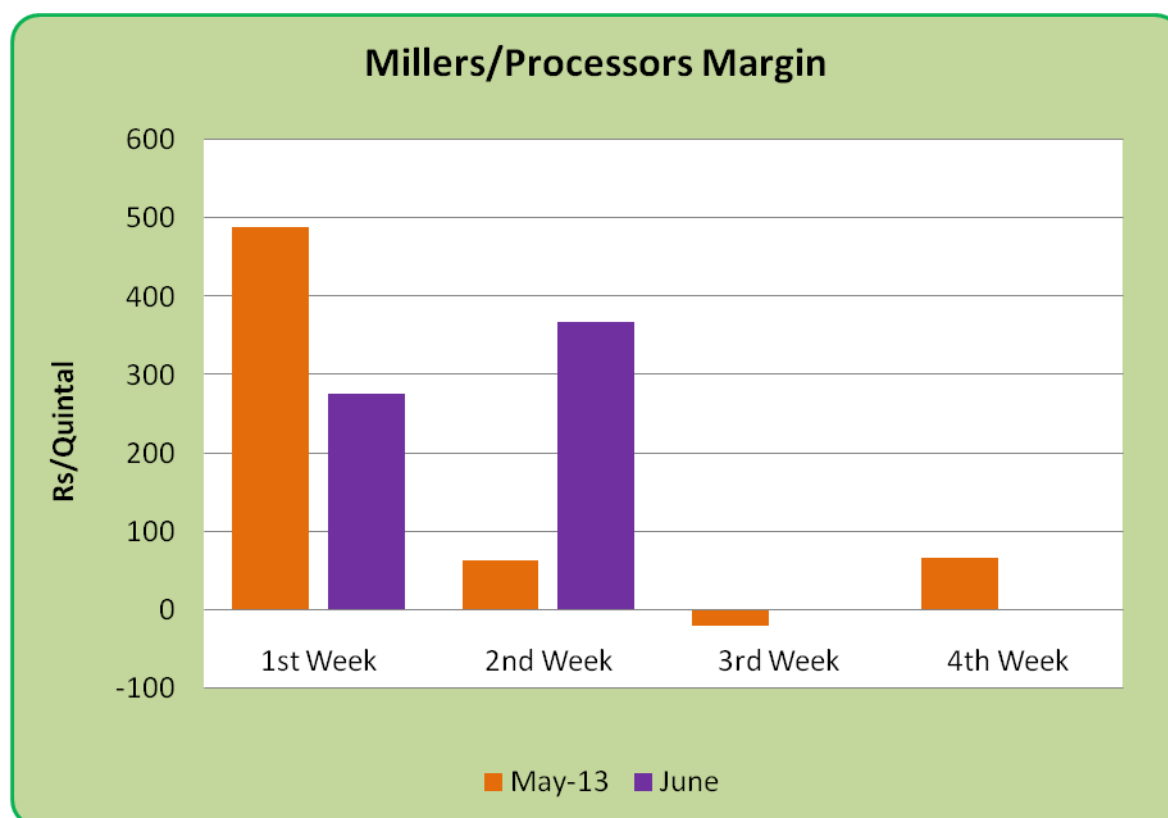
Guar seed and guar gum weekly average prices declined sharply during the week. In the second week of June, the average price of guar seed declined by 10% to Rs.7960/Qtl compared to prior week and that of guar gum declined by 10% to Rs.24020/Qtl compared to previous week. The graph below illustrates the 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 second week of June 2013, average crush margin stood at Rs. 367 /Quintal compared to previous week's crush margin of Rs. 276.2/Quintal. Higher degree of decrease in Guar seed prices compared to guar gum prices increase the margin.

**Guar Prices at Key Spot Markets**

Commodity	Centre	Prices (Rs/Qtl)		Change
		07-06-13	31-05-13	
Guar Seeds	Jodhpur(Delivery)	7800	8400	-600
	Jodhpur (Loose)	7400	8100	-700
	Sri-Ganganagar (Delivery)	7700	8300	-600
	Sri-Ganganagar(Loose)	7500	8100	-600
	Alwar (loose)	7000	7800	-800
	Churu (Delivery)	7500	8300	-800
	Nagaur (Loose)	7100	7800	-700
	Adampur (Loose)	7500	8400	-900
	Sirsa (Loose)	7500	8300	-800

	Bhiwani (Delivery)	7600	8400	-800
	Patan (Loose)	7055	7965	-910
	Deesa (Loose)	7175	7875	-700
	Rajkot (Loose)	7115	7505	-390
	Nokha (Delivery)	7562	8200	-638
	Nokha(Loose)	7300	8000	-700
	Hanumangarh (Delivery)	7500	8450	-950
	Hanumangarh (Loose)	7250	8100	-850
	Dhabwali (Loose)	7500	8100	-600
	Dhabwali (Delivery)	7800	8600	-800
	Bikaner (Delivery)	7700	8400	-700
	Bikaner (Loose)	7400	8100	-700
	Khajuwala Bikaner(Delivery)	7800	8700	-900
	Khajuwala Bikaner (Loose)	7500	8200	-700
	Dabra	7800	8500	-700
Guar Gum	Jodhpur	23600	25000	-1400
	Sirsa	23000	24000	-1000
	Alwar	23000	25000	-2000
	Bhiwani	23800	26000	-2200
	Dhabwali	22300	25000	-2700

### Guar by – Products Prices:

Commodity	Centre	Price in Rs/75Kg	
		07-06-13	31-05-13
Churi	Jodhpur	810	850
Korma	Jodhpur	1325	1400
Churi	Sri-Ganganagar	770	800
Korma	Sri-Ganganagar	1300	1350

### Guar Export Prices:

Commodity	Variety	\$/MT	
		07-06-13	31-05-13
Guargum Split		4054	4603
Guargum Powder	200 Mesh 5000 CPS	4582	5311
	200 Mesh 3500 CPS	4406	5134
Guargum Meal		240	240

## Guar Cumulative Arrivals in Key Centers

Centre	Arrivals (Quintals)		Change
	07-06-13	31-05-13	
Jodhpur	27000	34000	-7000
Sri-Ganganagar	10100	4500	5600
Alwar	1200	1200	Unch
Churu	2000	2400	-400
Nagaur	360	295	65
Adampur	16500	18000	-1500
Sirsa	1600	1500	100
Bhiwani	3900	5800	-1900
Patan	2345	360	1985
Deesa	2800	400	2400
Rajkot	11500	25500	-14000
Nokha	1070	200	870
Hanumangarh	2450	300	2150
Dhabwali	2200	1700	500
Bikaner	2300	3000	-700
Khajuwala Bikaner	2800	1900	900
Dabra	900	485	415
<b>Total Arrival</b>	<b>91025</b>	<b>101540</b>	<b>-10515</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. 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. However, prices got some upside last week due to relisting of guar contracts in Future 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 higher. Prices moved towards Rs.30000/Qtl levels. Prices are likely to continue the current weak tone. Prices will find support around Rs.26400/Qtl levels. The next support is at Rs.25000/Qtl levels. On the upside there is resistance at Rs.29000/Qtl and Rs.33000/Qtl levels respectively.

**Prices are likely to stood in the existing range as expected.**

## Spot Market Outlook:

Despite of recent launch of guar contracts on NCDEX platform, prices not seems bullish right now. With upcoming sowing of guar due, and half of the guar stocks left with farmers and new guar crop arriving in Saurashtra region give bearish hint in the guar prices in the coming week. However, any speculative upside move by big traders cannot be rule out.

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