

**Domestic Market Recap:**

- Guar seed as well as gum prices improved last week owing to lower arrivals and moderate demand compared to prior week.
- 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. 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 is presently moving in a range overall. Monsoon would play crucial role in the upcoming guar sowing which also decide the future of the guar prices. Presently, IMD predicts normal monsoon this year, if it does then the sowing of guar would not be affected which would curb any hike in guar prices considering higher stock holding by farmers.
- 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 are hovering in a range with firm tone during the week

Cummulative arrivals in the country of guar seed are reported to be around 150000 bags last week which was 191000 bags prior week.

As far as arrivals in Gujarat region, it was down from 25000 bags daily to 15000 bags daily owing to recent rainfall as reported.

**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.

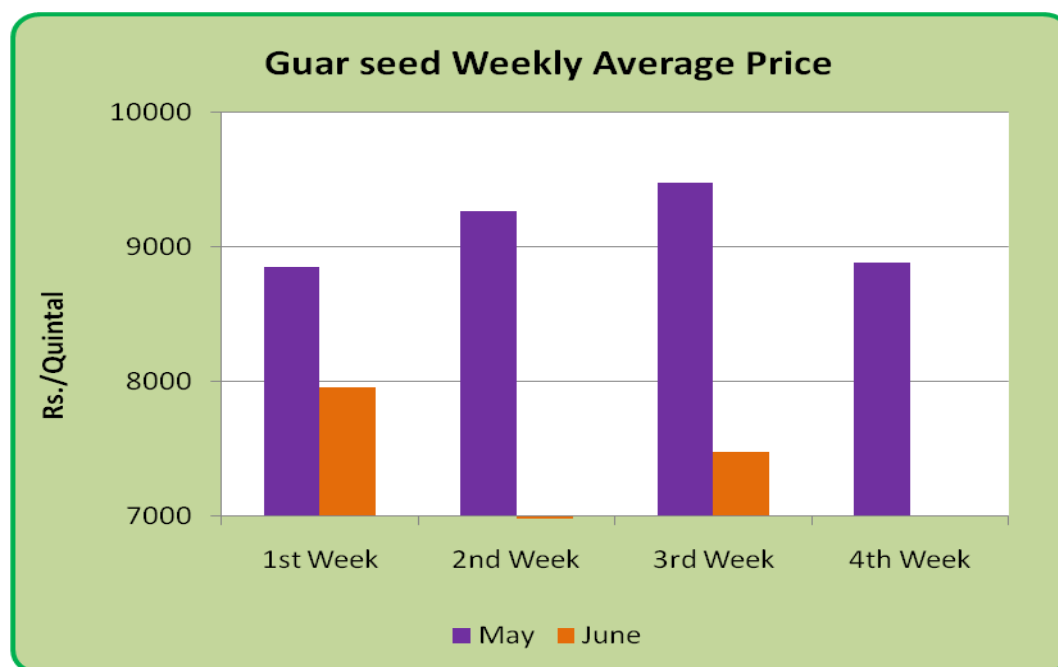
Monthly Guar Exports (2012-13)	Quantity in Tons
April- Sept	319000
Oct	23000
Nov	15000
Dec	25000
Jan	28949
Feb	38819
March	47345

### Crop Outlook

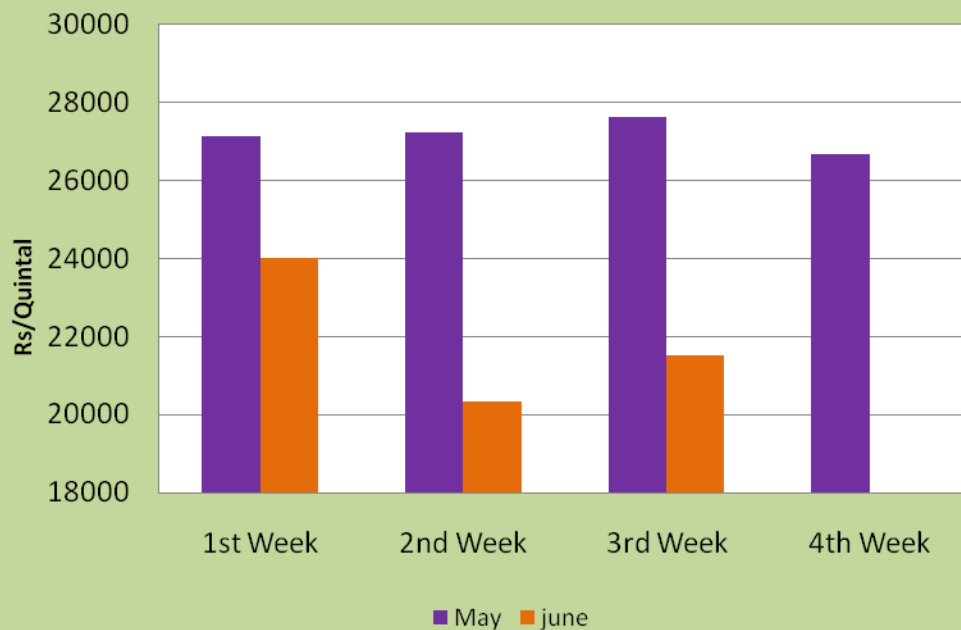
As per our initial survey conduct by Agriwatch, Guar sowing likely to increase near to Bikaner and Ganga nagar districts as cotton sowing already delayed by 15 days and there are strong possibilities that farmers would shift towards guar in this region.

### Price Scenario

Guar seed and guar gum weekly average prices improved during the week. In the third week of June, the average price of guar seed improved by 9% to Rs.7475/Qtl compared to prior week and that of guar gum improved by 5.8% to Rs.21500/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

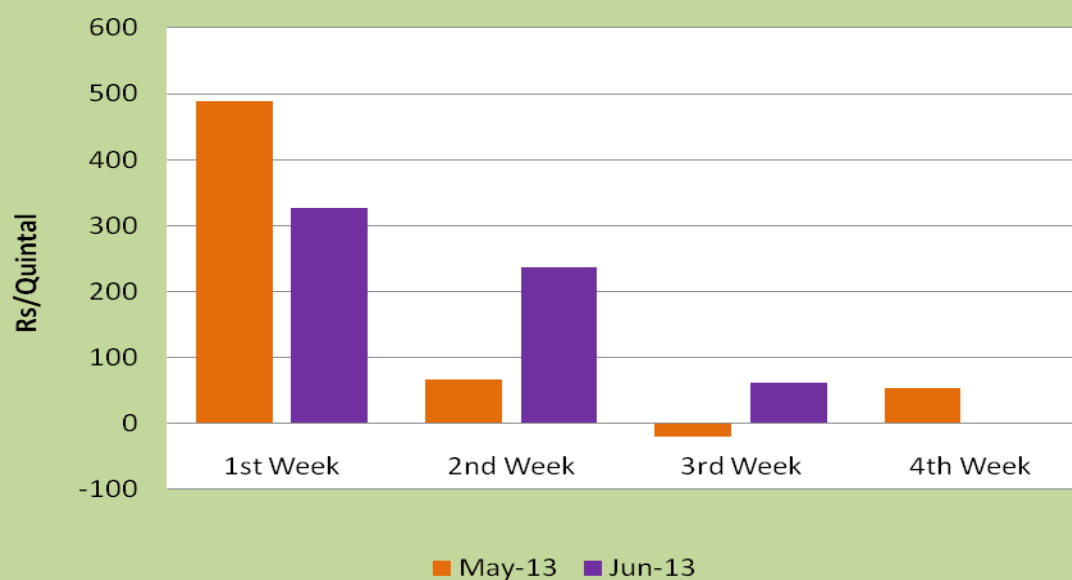


### Guar gum Weekly Average Price



### Millers/Processors Margin

#### 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 June 2013, average crush margin stood at Rs. 62 /Quintal compared to previous week's crush margin of Rs. 237.1/Quintal. Higher degree of increase in Guar seed prices compared to guar gum prices decrease the margin.

### Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
		21/6/2013	14/6/2013	
Guar Seeds	Jodhpur(Delivery)	7500	7000	500
	Jodhpur (Loose)	7250	6400	850
	Sri-Ganganagar (Delivery)	7450	6900	550
	Sri-Ganganagar(Loose)	7150	6600	550
	Alwar (loose)	6800	6200	600
	Churu (Delivery)	7200	6800	400
	Nagaur (Loose)	6800	6400	400
	Adampur (Loose)	7500	6800	700
	Sirsa (Loose)	7300	6400	900
	Bhiwani (Delivery)	7450	7100	350
	Deesa (Loose)	8035	6700	1335
	Patan (Loose)	7210	6760	450
	Rajkot (Loose)	7125	6800	325
	Nokha (Delivery)	7500	6755	745
	Nokha(Loose)	7200	6500	700
	Hanumangarh (Delivery)	7600	7100	500
	Hanumangarh (Loose)	7400	6890	510
	Dhabwali (Loose)	7400	6450	950
	Dhabwali (Delivery)	-	6700	-
	Bikaner (Delivery)	7900	7000	900
	Bikaner (Loose)	7650	6700	950
	Khajuwala Bikaner(Delivery)	7700	7250	450
	Khajuwala Bikaner (Loose)	7370	6900	470
	Dabra	7000	6500	500
Guar Gum	Jodhpur	22000	20000	2000
	Sirsa	21000	20500	500
	Alwar	21500	20000	1500
	Bhiwani	22000	20800	1200
	Dhabwali	22000	20300	1700

**Guar by – Products Prices:**

Commodity	Centre	Price in Rs/75Kg	
		21/6/2013	14/6/2013
<b>Churi</b>	Jodhpur	850	800
<b>Korma</b>	Jodhpur	1500	1350
<b>Churi</b>	Sri-Ganganagar	800	750
<b>Korma</b>	Sri-Ganganagar	1400	1300

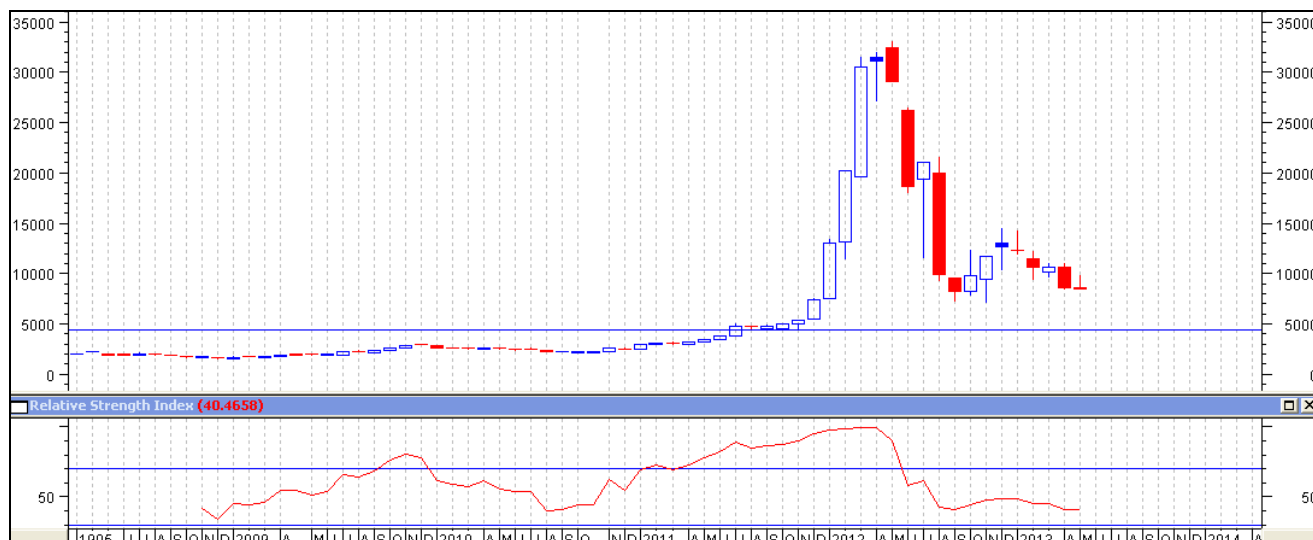
**Guar Export Prices:**

Commodity	Variety	\$/MT	
		21/6/2013	14/6/2013
<b>Guargum Split</b>		3707	3637
<b>Guargum Powder</b>	<b>200 Mesh 5000 CPS</b>	4549	4330
	<b>200 Mesh 3500 CPS</b>	4381	4157
<b>Guargum Meal</b>		240	240

**Guar Cumulative Arrivals in Key Centers**

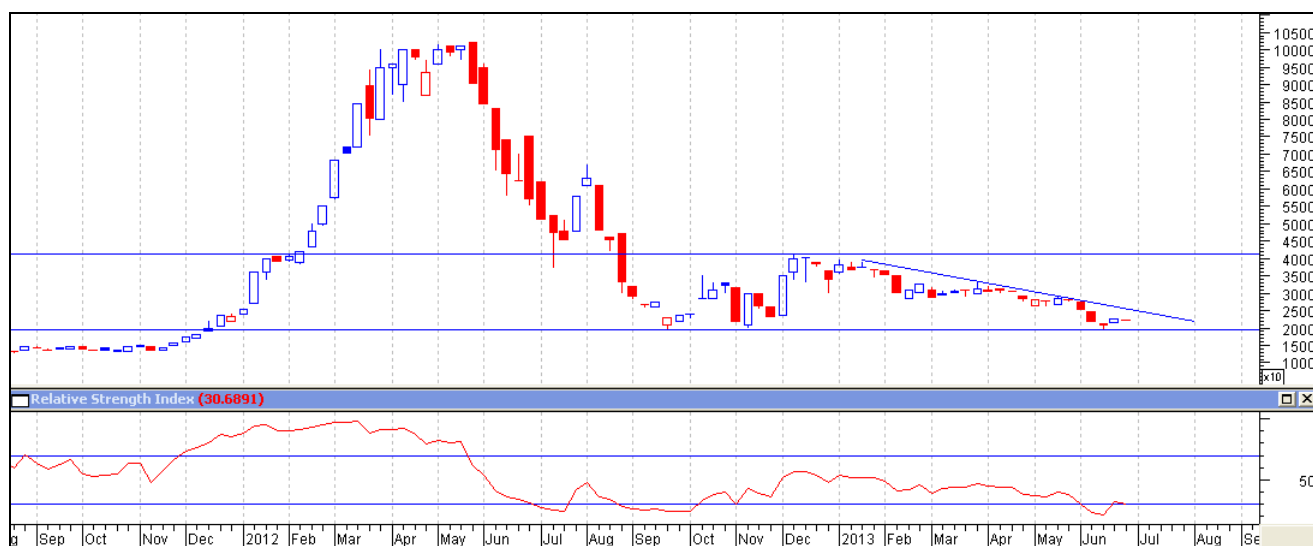
Centre	Arrivals (Quintals)		Change
	21/6/2013	14/6/2013	
Jodhpur	28000	38000	<b>-10000</b>
Sri-Ganganagar	6300	10500	<b>-4200</b>
Alwar	1050	700	<b>350</b>
Churu	2000	1200	<b>800</b>
Nagaur	270	440	<b>-170</b>
Adampur	9500	14500	<b>-5000</b>
Sirsa	1350	1100	<b>250</b>
Bhiwani	3500	4400	<b>-900</b>
Deesa	2759	4450	<b>-1691</b>
Patan	2919	3309	<b>-390</b>
Rajkot	6545	9795	<b>-3250</b>
Nokha	1200	1100	<b>100</b>
Hanumangarh	650	1350	<b>-700</b>
Dhabwali	900	1200	<b>-300</b>
Bikaner	975	1825	<b>-850</b>
Khajuwala Bikaner	2050	2450	<b>-400</b>
Dabra	1200	600	<b>600</b>
<b>Total Arrival</b>	<b>71168</b>	<b>96919</b>	<b>-25751</b>

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



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

Guar seed prices are moving in a range as chart depicts. However, last candlestick depicts prices not sustained at higher levels and likely to come down in the coming month and test its next support level i.e. Rs 7000 and then Rs 5000 per quintal.



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

Guar gum prices are moving in downward channel as chart depicts. Prices break crucial level and likely to test its next support

level i.e. Rs 19000 per quintal. Last candlestick depicts bearishness which also supports the statement.

**Prices are likely to move towards Rs.19000/Qtl levels in the medium –term.**

**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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