

Domestic Market Recap:

- Guar seed as well as gum prices are moving in a range with firm tone last week owing to lower arrivals.
- Southwest Monsoon likely to hit Haryana and parts of Rajasthan in the coming week as reported. It is notable that farmers have started guar sowing in their respective fields and if rain occurs next week then it would increase the guar sowing in rest of regions.
- Market sources are now predicted the guar prices would test Rs 5000 level in the coming time.
- 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.

Current Market Dynamics

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

Meanwhile, Cumulative arrivals in the country of guar seed are reported to be around 130000 bags last week which was 153000 bags prior week.

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

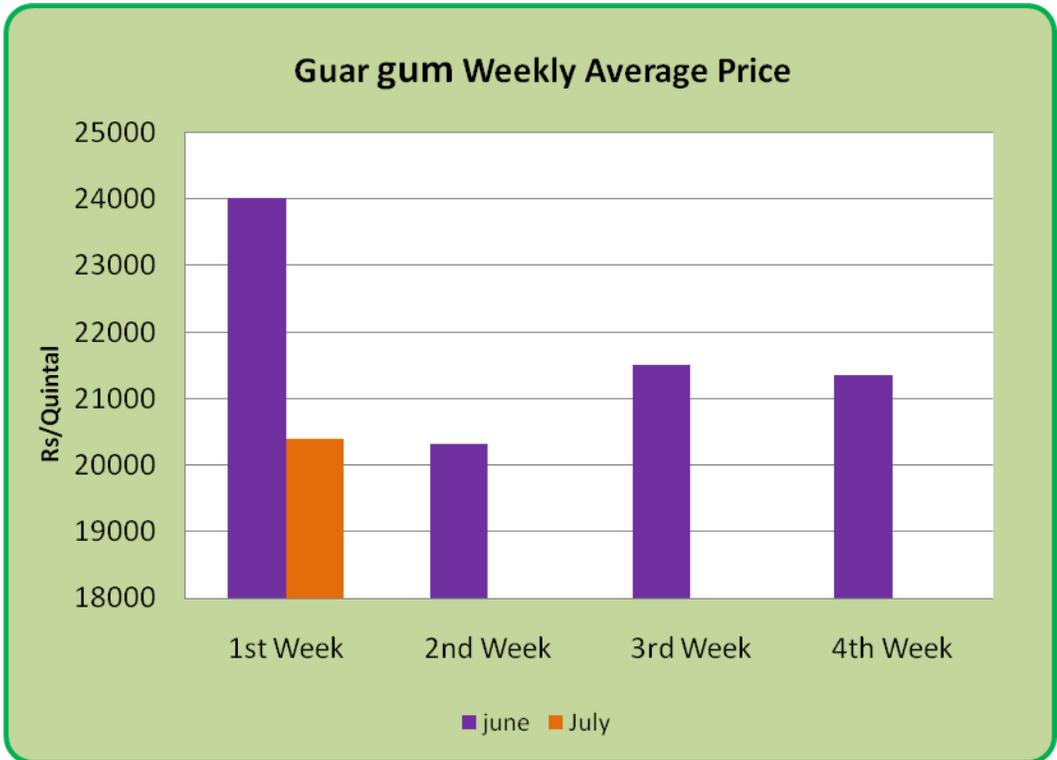
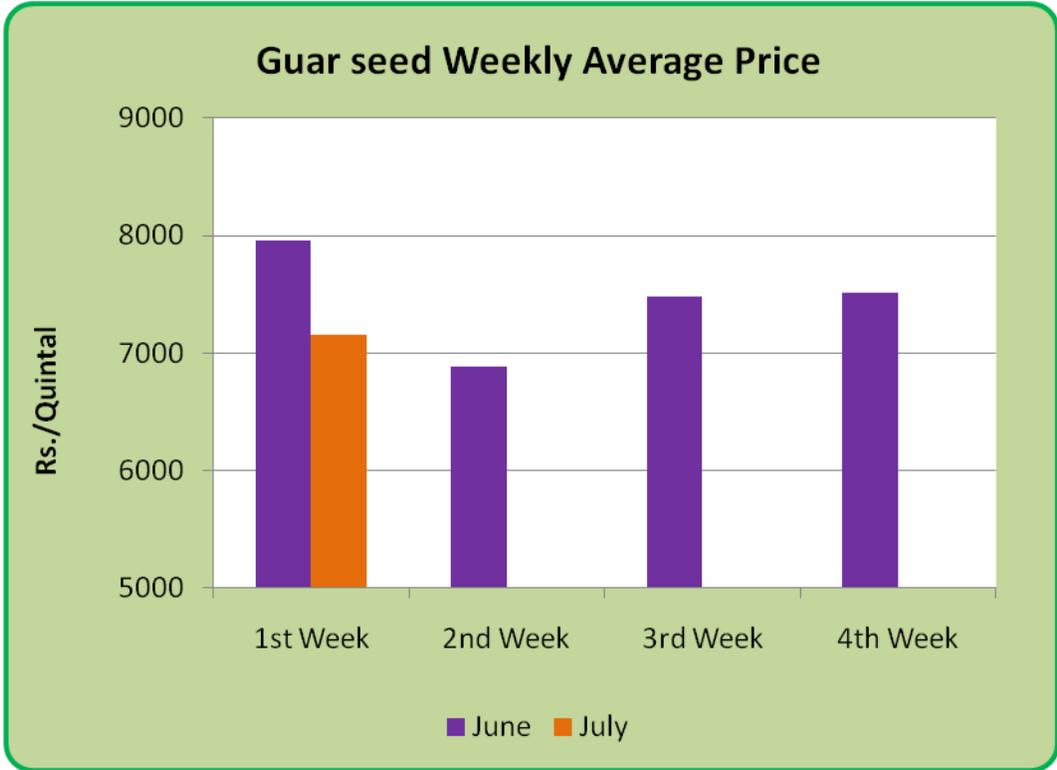
Crop Outlook

Guar sowing has started in key guar producing regions like Rajasthan and Haryana. Sowing likely to increase in these states compared to prior year as per initial survey done by Agriwatch.

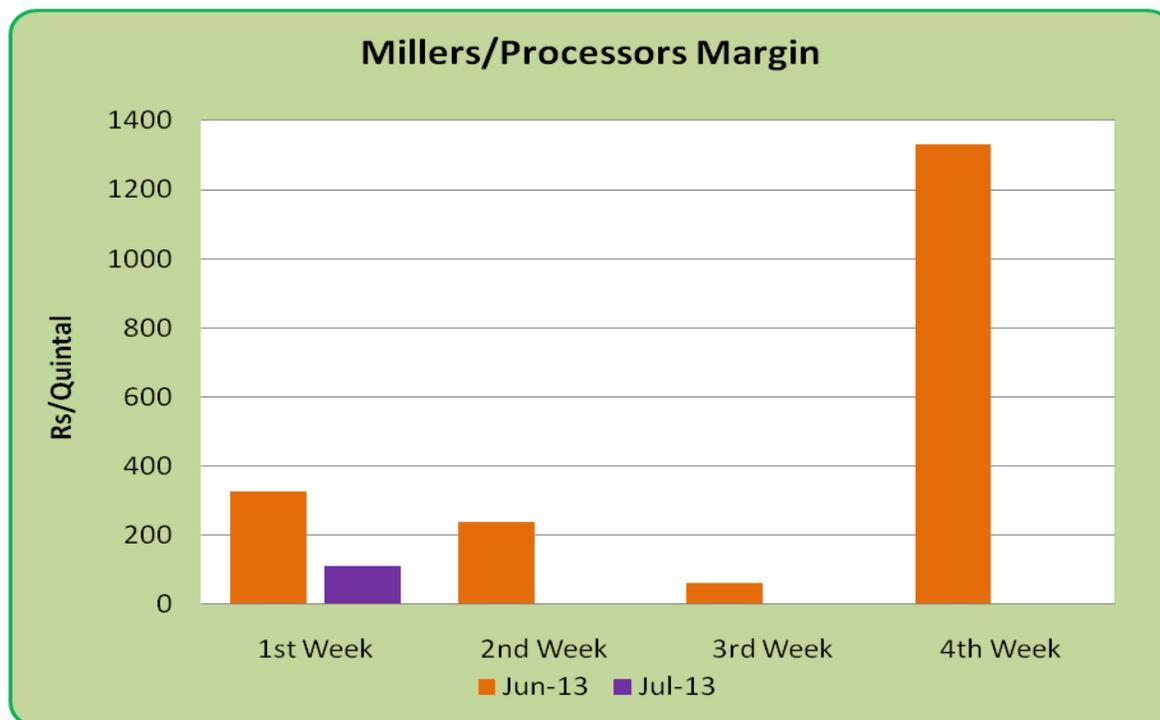
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Price Scenario

Guar seed weekly average prices improved during the week. In the first week of July, the average price of guar seed declined by 5% to Rs.7150/Qtl compared to prior week. However, guar gum prices declined last week by 4.4% to Rs.20400/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.



Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed decreased compared to previous week. In the first week of July 2013, average crush margin stood at Rs. 111.2 /Quintal compared to previous week's crush margin of Rs. 1331.8/Quintal. Decrease in prices of churi and korma led the margin down.

Guar by – Products Prices:

Commodity	Centre	5.7.2013	28.6.2013	Change
Churi	Jodhpur	860	880	-20
Korma	Jodhpur	1500	1600	-100
Churi	Sri-Ganganagar	850	-	-
Korma	Sri-Ganganagar	1450	-	-

Prices in Rs/75kg

Guar Export Prices:

Commodity	Variety	5.7.2013	28.6.2013	Change
Guargum Split		3481	3518	-37
Guargum Powder	200 Mesh 5000 CPS	4144	4188	-44
	200 Mesh 3500 CPS	3978	4021	-43
Guargum Meal	40%	280	260	20

Prices in \$/MT

Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
		5.7.2013	28.6.2013	
	Guar Seeds			
Rajasthan	Jodhpur (Loose)	6900	6800	100
	Jodhpur(Delivery)	7200	7000	200
	Sri-Ganganagar(Loose)	7000	6500	500
	Sri-Ganganagar (Delivery)	7150	6900	250
	Nagaur (Loose)	6600	6400	200
	Alwar (loose)	6500	6300	200
	Churu (Delivery)	7000	6800	200
	Bikaner (Loose)	6950	6700	250
	Bikaner (Delivery)	7300	7000	300
	Khajuwala Bikaner (Loose)	7000	6800	200
	Khajuwala Bikane(Delivery)	7280	7072	208
	Nokha(Loose)	6950	6700	250
	Nokha (Delivery)	7200	7022	178
	Hanumangarh (Loose)	6900	6300	600
	Hanumangarh (Delivery)	7200	6600	600
Haryana	Adampur (Loose)	7100	7000	100
	Adampur (Delivery)	7400	7300	100
	Sirsa (Loose)	7000	7000	Unch
	Bhiwani (Delivery)	7000	6500	500
	Dhabwali (Loose)	7000	6650	350
	Dhabwali (Delivery)	7300	7000	300
Gujarat	Deesa (Loose)	6750	-	-
	Patan (Loose)	6755	6975	-220
	Rajkot (Loose)	7020	6790	230
Madhya pradesh	Dabra (Loose)	6700	7000	-300
Guar Gum				
Rajasthan	Jodhpur	20000	20400	-400
	Alwar	20500	20000	500
Haryana	Sirsa	20500	20000	500
	Bhiwani	20800	19800	1000
	Dhabwali	21000	19500	1500

Guar Cumulative Arrivals in Key Centers

	Centre	Arrivals (Quintals)		Change
		5.7.2013	28.6.2013	
Rajasthan	Jodhpur	21500	23500	-2000
	Sri-Ganganagar	3500	5000	-1500

	Nagaur	200	280	-80
	Alwar	1200	1150	50
	Churu	1800	2000	-200
	Bikaner	1700	1650	50
	Khajuwala Bikaner	2700	2150	550
	Nokha	1000	1050	-50
	Hanumangarh	190	870	-680
Haryana	Adampur	10400	10500	-100
	Sirsa	4200	3500	700
	Bhiwani	2700	1750	950
	Dhabwali	425	920	-495
Gujarat	Deesa	4800	1500	3300
	Patan (Loose)	2930	3840	-910
	Rajkot	7664	8020	-356
Madhya pradesh	Dabra	3200	3100	100
Total All India Arrivals		130000	153000	23000

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 with weak tone 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 4400 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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