

**Domestic Market Recap:**

- Lack of demand from bulk buyers and stockiest regular release of guar seed continued to restrict cash market to get firmer. As buyers are unwilling to buy aggressively at current level guar seed and gum are likely to trade range bound in the weeks ahead.
- As expected south west monsoon hit Haryana and some parts of Rajasthan and good rainfall in growing regions has encouraged sowing activities. In Gujarat, guar seed sowing has been done on 178,200 hectares, up close to 2 per cent from the normal of 174,900 hectares as on 8<sup>th</sup> July 2013. Sowing is almost over in Gujarat. Gujarat is likely to harvest bumper guar crop this year on the back of favourable monsoon and higher area coverage.
- Area under Guar is expected to increase in Rajasthan too. Farmers in Haryana prefer guar crop to cotton this year. Going by the initial sowing trend and farmer's intension bumper guar production seems on the card and it may continue to pressurize the market fundamentals. Guar seed may test the level of Rs 5000 per quintal in the short to medium term.
- Crop from Gujarat would start hitting the market from mid Sept, thereafter crop from Rajasthan and Haryana would start. Bikaner and Ganganagar would contribute more this year in terms of production.
- At price front overall outlook remains bearish. However, monsoon rains remain crucial to the final size of the crop. Demand for gum from international market too would be the price driving factor. Presently, demand is weak and market is likely to dip further.

**Current Market Dynamics**

Weak demand and continuous release from old stock amid higher area coverage remain restrictive factors for guar and gum markets.

Favorable monsoon and prospects for bumper production would continue to pressurize market fundamentals.

Meanwhile, Cumulative arrivals in the country of guar seed are reported to be around 131000 bags last week which was 130000 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.

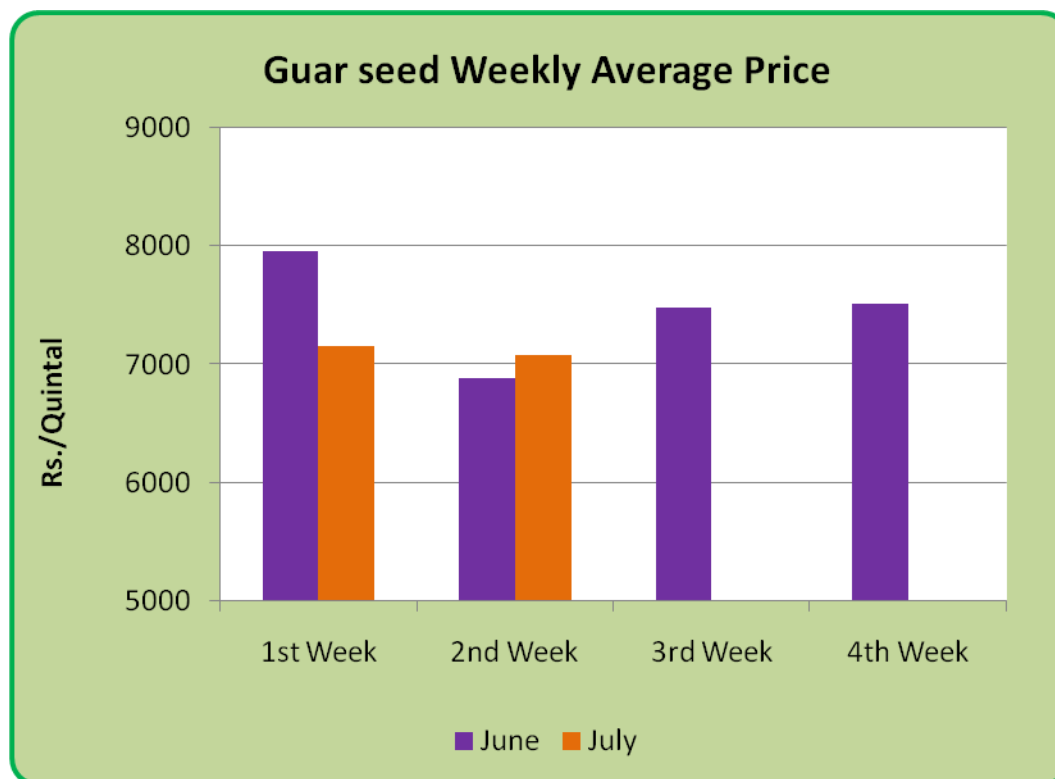
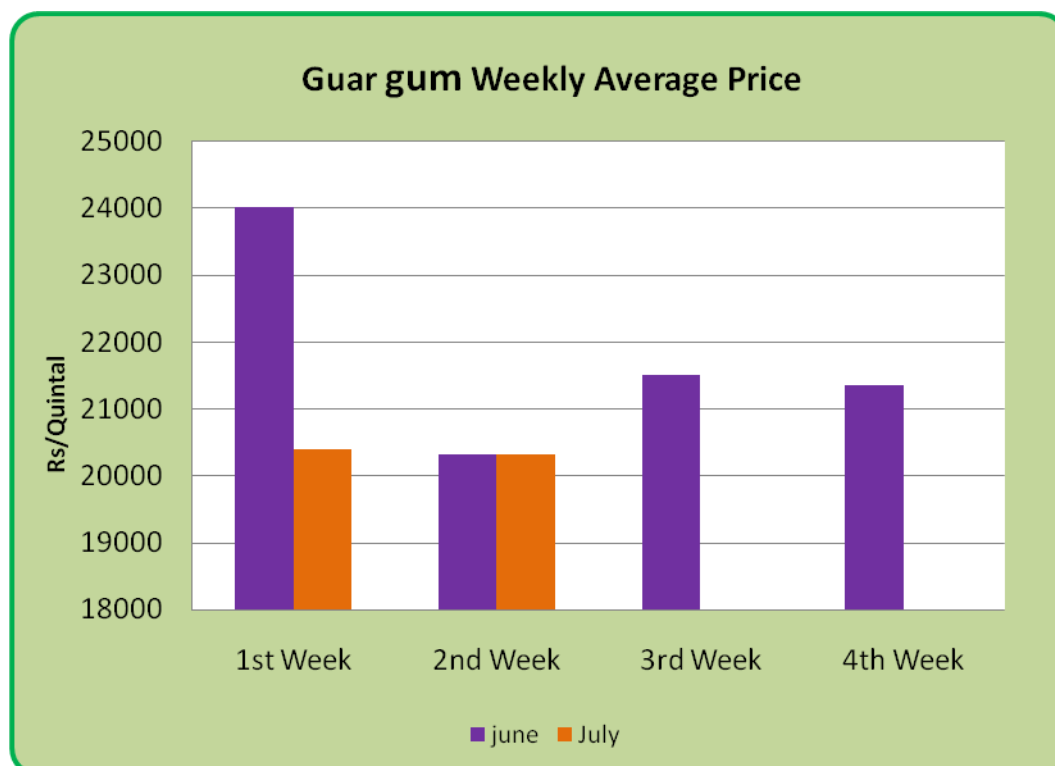
Monthly Guar Exports (2012-13)	Quantity in Tons
April- Sept	319000
Oct	23000
Nov	15000
Dec	25000
Jan	28949
Feb	38819
March	47345

**Crop Outlook**

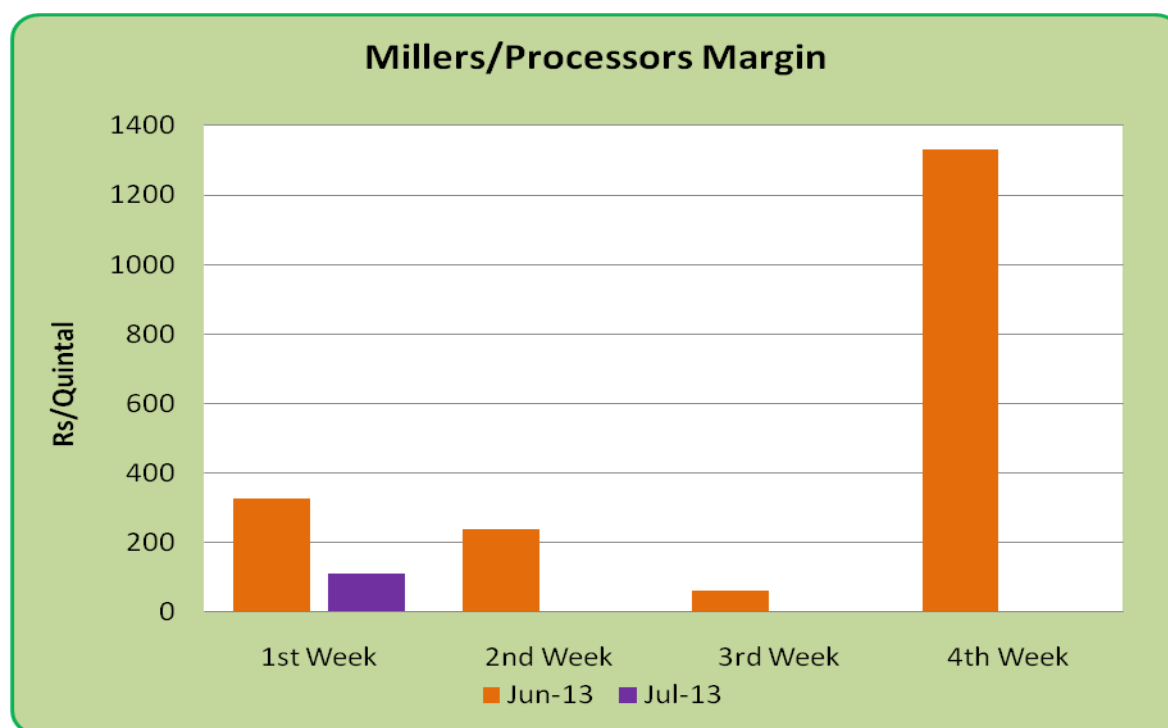
Area under guar crop in Gujarat has increased by 2 percent. Haryana and Rajasthan are expected to cover higher area. As monsoon remains favourable bumper production is once again on the card. Sowing is over in Gujarat and it is under way in Rajasthan and Haryana. Crop condition in Gujarat is satisfactory so far. farmers from Bikaner and Ganga Nagar would grow more guar this year as per feedback received from farmers so far.

**Price Scenario**

Guar seed weekly average prices improved during this week. In the second week of July, the average price of guar seed declined by -1.006% to Rs.7078/Qtl compared to prior week, guar gum prices also declined last week by -0.41% to Rs.20315/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

**Weekly Average Price of Guar Seed:-****Weekly Average Price of Guar gum:-**

## 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	12.7.2013	5.7.2013	Change
<b>Churi</b>	Jodhpur	900	860	40
<b>Korma</b>	Jodhpur	1600	1500	100
<b>Churi</b>	Sri-Ganganagar	800	850	-50
<b>Korma</b>	Sri-Ganganagar	1550	1450	100

## Prices in Rs/75kg

## Guar Export Prices:

Commodity	Variety	12.7.2013	5.7.2013	Change
<b>Guargum Split</b>		3423	3481	-58
<b>Guargum Powder</b>	<b>200 Mesh 5000 CPS</b>	4091	4144	-53
	<b>200 Mesh 3500 CPS</b>	3924	3978	-54
<b>Guargum Meal</b>	<b>40%</b>	260	280	-20

## Prices in \$/MT

## Guar Prices at Key Spot Markets

Commodity	Centre	Prices (Rs/Qtl)		Change
	Guar Seeds	12.7.2013	5.7.2013	
Rajasthan	Jodhpur (Loose)	6300	6900	-600
	Jodhpur(Delivery)	6700	7200	-500
	Sri-Ganganagar(Loose)	6800	7000	-200
	Sri-Ganganagar (Delivery)	7100	7150	-50
	Nagaur (Loose)	6600	6600	Unch
	Alwar (loose)	6400	6500	-100
	Churu (Delivery)	6900	7000	-100
	Bikaner (Loose)	6650	6950	-300
	Bikaner (Delivery)	6900	7300	-400
	Khajuwala Bikaner (Loose)	6700	7000	-300
	Khajuwala Bikane(Delivery)	6968	7280	-312
	Nokha(Loose)	-	6950	-
	Nokha (Delivery)	-	7200	-
	Hanumangarh (Loose)	6700	6900	-200
	Hanumangarh (Delivery)	6950	7200	-250
Haryana	Adampur (Loose)	6900	7100	-200
	Adampur (Delivery)	7100	7400	-300
	Sirsa (Loose)	7000	7000	Unch
	Bhiwani (Delivery)	6900	7000	-100
	Dhabwali (Loose)	6650	7000	-350
	Dhabwali (Delivery)	6900	7300	-400
Gujarat	Deesa (Loose)	6325	6750	-425
	Patan (Loose)	6600	6755	-155
	Rajkot (Loose)	6650	7020	-370
Madhya pradesh	Dabra (Loose)	6700	6700	Unch
Guar Gum				
Rajasthan	Jodhpur	20200	20000	200
	Alwar	20000	20500	-500
Haryana	Sirsa	20000	20500	-500
	Bhiwani	20200	20800	-600
	Dhabwali	20000	21000	-1000

**Guar Cumulative Arrivals in Key Centers**

	Centre	Arrivals (Quintals)		Change
		12.7.2013	5.7.2013	
Rajasthan	Jodhpur	16560	21500	-4940
	Sri-Ganganagar	3000	3500	-500
	Nagaur	220	200	20

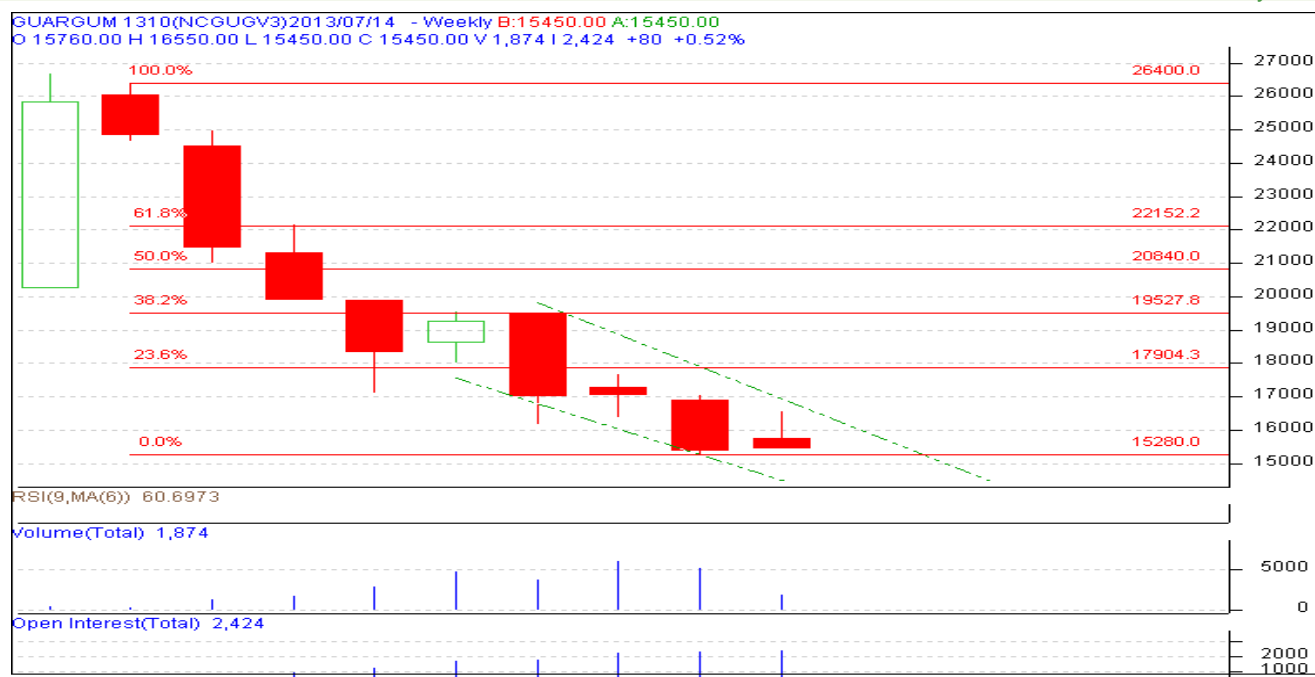
	Alwar	950	1200	-250
	Churu	2000	1800	200
	Bikaner	1750	1700	50
	Khajuwala Bikaner	2450	2700	-250
	Nokha	200	1000	-800
	Hanumangarh	105	190	-85
Haryana	Adampur	16000	10400	5600
	Sirsa	2400	4200	-1800
	Bhiwani	2700	2700	Unch
	Dhabwali	700	425	275
Gujarat	Deesa	4950	4800	150
	Patan (Loose)	1682	2930	-1248
	Rajkot	6220	7664	-1444
Madhya pradesh	Dabra	3050	3200	-150
Total Arrival		64937	70780	-5843

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



**Fig-1 – Guar Seed Weekly Future Prices:-**

Guar seed prices are moving in a range with weak tone as chart depicts. However, last candlestick depicts prices not sustained at lower levels and likely to come down in the coming month and test its next support level i.e. Rs 5100 per quintal.



**Fig-2 – Guar Gum Weekly future Prices:-**

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 15000 per quintal. Last candlestick depicts bearishness which also supports the statement.

**Prices are likely to move towards Rs.15000/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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