

Domestic Market Recap:

- Guar prices declined during last week owing to starting of new crop arrivals in Haryana and parts of Rajasthan.
- Haryana region have got recent rainfall which might delay the arrivals from Haryana.
- Crop situation of guar seed has not been damaged severely as expected earlier. Late sowed crop has grown upto knee size height in rain fed areas of Hanumangarh as reported.
- Around 24504 tons of guar gum (Splits and powder) exported to various countries in September month 2013 as reported. It is notable that India has exported 37000 tons of guar gum (Splits and Powder) in August month 2013.
- Normal rainfall and sufficient irrigated water availability for guar results in normal yield in Ganganagar region as reported.
- It is notable that new crop has started arriving in Ganga nagar and Haryana region. However, quantities are pretty less arriving in various mandis as reported.

Current Market Dynamics

Guar seed and gum prices come down after having quick rally in prices. Prices of guar likely to remain weak in the coming week considering weak domestic as well as international demand followed by increasing supply pressure of guar seed in the market. In addition to it, widespread rainfall in western Rajasthan also removes the fear of further crop damage possibility in future.

Meanwhile, Cumulative arrivals in the country of guar seed are reported to be around 260000 bags which was 173000 bags last week.

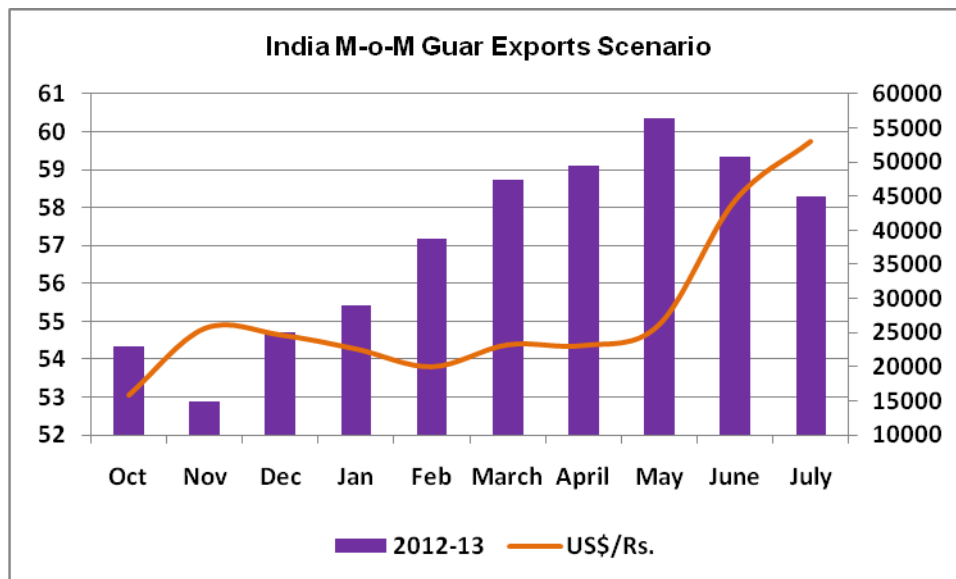
Export and Import Scenario

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.

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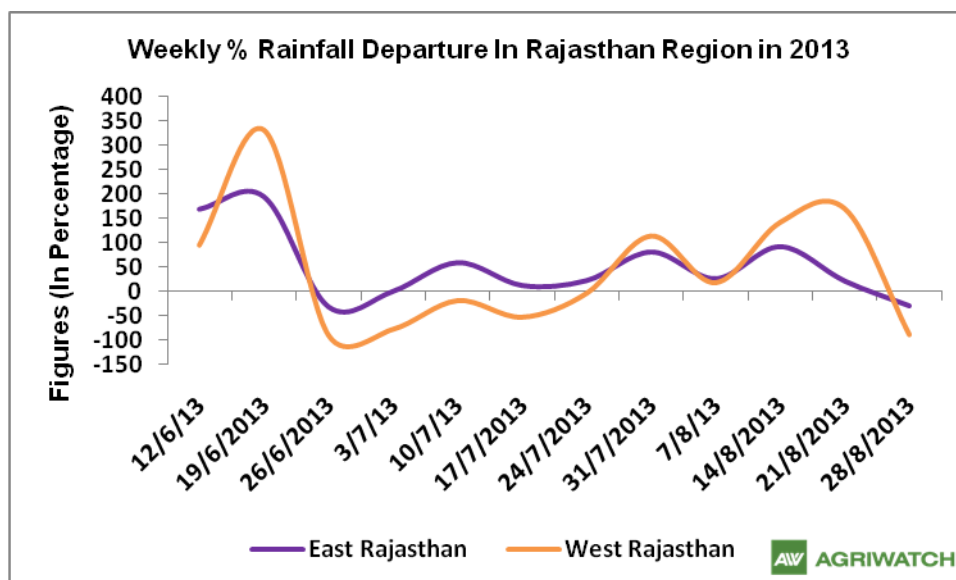
Demand Side of Guar and Guar Gum:

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



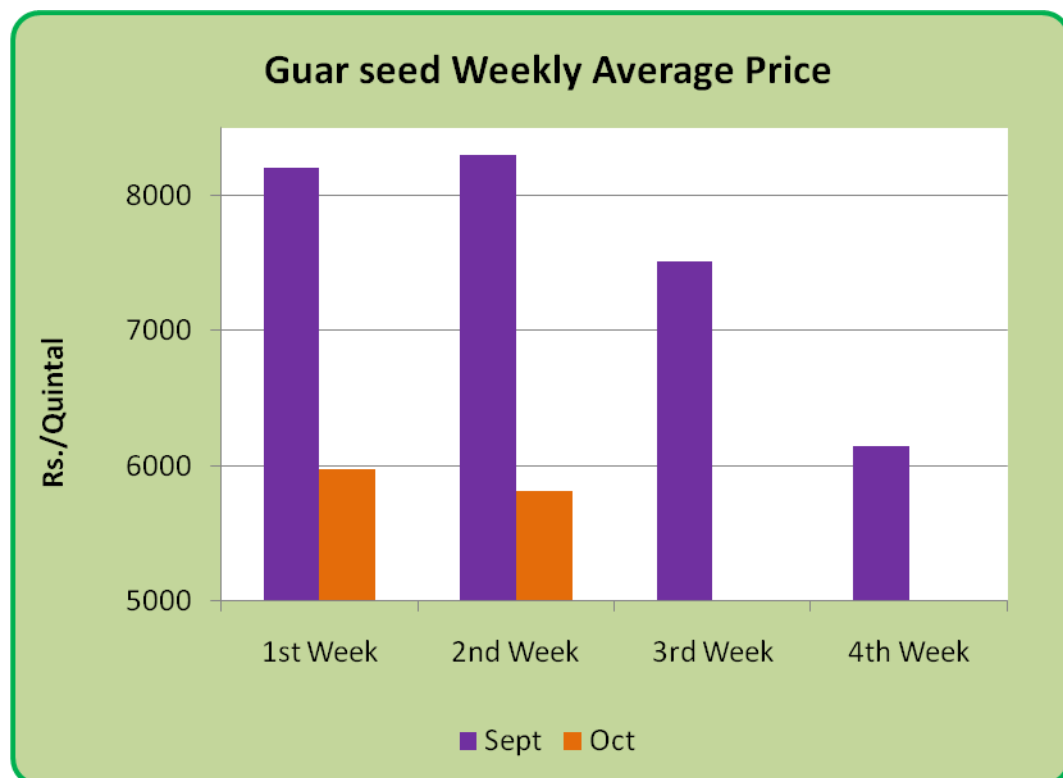
Crop Outlook

Haryana and Rajasthan are expected to cover higher area. As monsoon remains favorable 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.

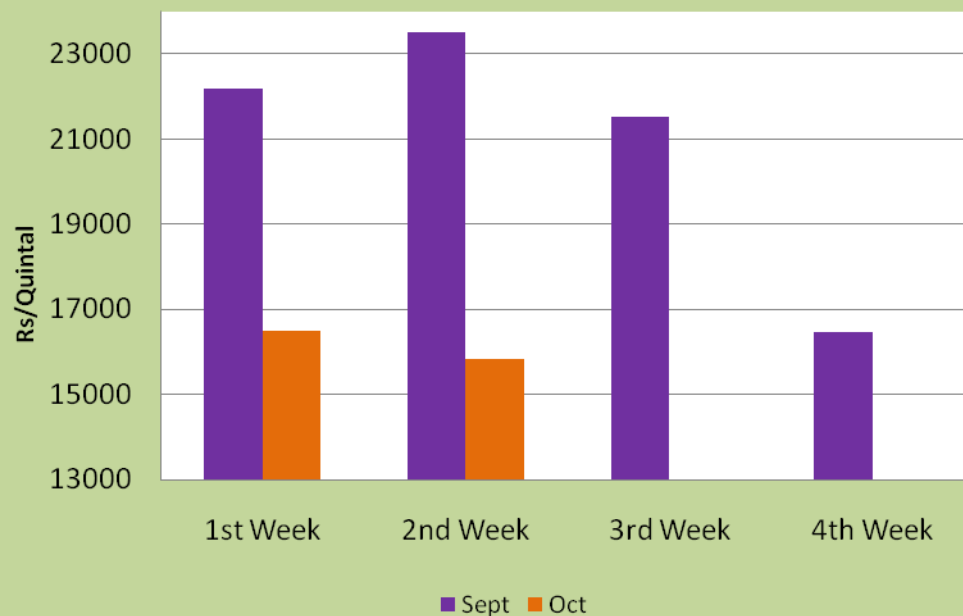


Price Scenario

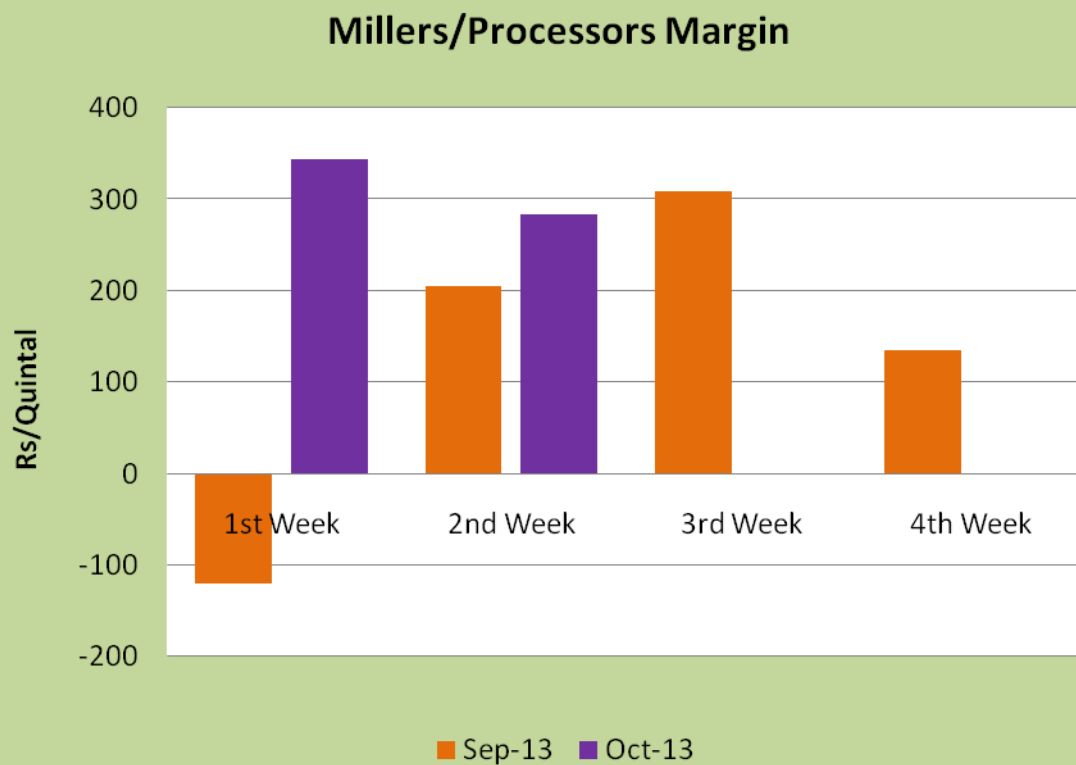
Guar seed weekly average prices declined during the week. In the second week of Oct, the average price of guar seed declined by 3% to Rs.5816/Qtl compared to prior week. Also, guar gum prices declined last week by 4% to Rs.15833/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.



Guar gum Weekly Average Price



Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed declined compared to previous week. In the second week of October 2013, average crush margin stood at Rs. 283.16/Quintal which was 343.6 per quintal last week. Higher degree of decrease in guar gum prices compared to guar seed prices led the margin down.

Guar Seed Prices at Key Spot Markets

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	5.10.2013 to 11.10.2013	28.9.2013 to 4.10.2013	
Rajasthan	Jodhpur (Loose)	5340	5560	-220
	Jodhpur(Delivery)	5816	5980	-164
	Sri-Ganganagar(Loose)	5758	5980	-222
	Sri-Ganganagar (Delivery)	5983	6200	-217
	Nagaur (Loose)	5250	5750	-500
	Alwar (loose)	5475	5640	-165
	Churu (Delivery)	5933	6160	-227
	Bikaner (Loose)	5775	5890	-115
	Bikaner (Delivery)	6100	6170	-70
	Khajuwala Bikaner (Loose)	5770	6051	-281
	Khajuwala Bikaner(Delivery)	5854	6246	-392
	Nokha(Loose)	5540	5900	-360
	Nokha (Delivery)	5540	6112	-572
	Hanumangarh (Loose)	5825	6075	-250
	Hanumangarh (Delivery)	6030	6313	-283
Haryana	Adampur (Loose)	6016	6290	-274
	Adampur (Delivery)	6266	6540	-274
	Sirsa (Loose)	5766	5933	-167
	Bhiwani (Delivery)	5833	6020	-187
	Dhabwali (Loose)	5780	6000	-220
	Dhabwali (Delivery)	6040	6238	-198
	Siwani (Loose)	5940	6170	-230
	Ellanabad (Loose)	6010	6325	-315
Gujarat	Deesa (Loose)	5415	5644	-229
	Patan (Loose)	5659	5736	-77
	Rajkot (Loose)	5705	5451	254
Madhya pradesh	Dabra (Loose)	-	5500	
Guar Gum Weekly Average Prices (In Rs./Quintal)				
Rajasthan	Jodhpur	15833	16500	-667
	Alwar	15916	16300	-384

Haryana	Sirsa	15933	16400	-467
	Bhiwani	15850	16580	-730
	Dhabwali	15700	16200	-500
	Ellanabad	15933	15875	58

Guar Cumulative Arrivals in Key Centers

Centre		Weekly Arrivals Sum (Quintals)		
		5.10.2013 to 11.10.2013	28.9.2013 to 4.10.2013	
Rajasthan	Jodhpur	65000	46000	19000
	Sri-Ganganagar	26000	5200	20800
	Nagaur	450	180	270
	Alwar	1200	800	400
	Churu	2500	1400	1100
	Bikaner	1500	1000	500
	Khajuwala Bikaner	1650	1205	445
	Nokha	350	710	-360
	Hanumangarh	2050	400	1650
Haryana	Adampur	10700	5700	5000
	Sirsa	950	500	450
	Bhiwani	1200	1300	-100
	Dhabwali	1000	660	340
	Siwani	1000	800	200
	Ellanabad	2250	550	1700
Gujarat	Deesa	1210	1200	10
	Patan (Loose)	214	129	85
	Rajkot	2562	1183	1379
Madhya pradesh	Dabra	-	100	-100
Total Arrival		121786	69017	52769

Spot Market Technical Analysis of Guar seed & Guar gum



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

Guar seed prices are moving in a weak tone as chart depicts. Guar seed prices recently tested its trend line resistance level and it is heading towards its next support level i.e. Rs 5000 per quintal.



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

Guar gum prices are moving in downward channel as chart depicts. Prices tested its upward resistance that lies over Rs 25000 per quintal and now prices should move down upto its support level i.e. 14800.

Prices are likely to move towards Rs.14800/Qtl levels in the short –term.

Spot Market Outlook:

Guar seed and weather game is over and prices started falling again. As per our previous estimation, traders who have guar seed stock with them have released their guar stocks at higher prices and now they break the market like anything.

Manipulators have created fear of crop damage in the market which actually was not very critical.

Recently, some rainfall has been reported in Bikaner, Churu, Rawatsar region which will boost the standing guar crop.

We expect prices to fall in the coming week.

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