

**Domestic Market Recap:**

- Guar prices declined during last week owing to starting of new crop arrivals in Haryana and parts of Rajasthan.
- It is notable that new crop arrives in Haryana with moisture content of 16-18% at present. However, arrivals will get pace in early November from Haryana region as expected.
- 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 235000 bags which was 260000 bags last week.

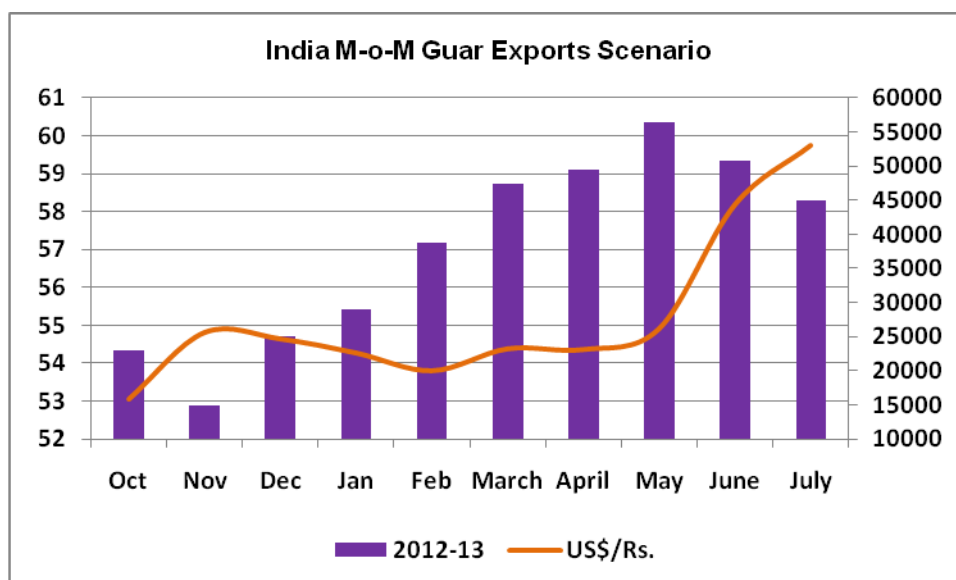
**Export and Import Scenario**

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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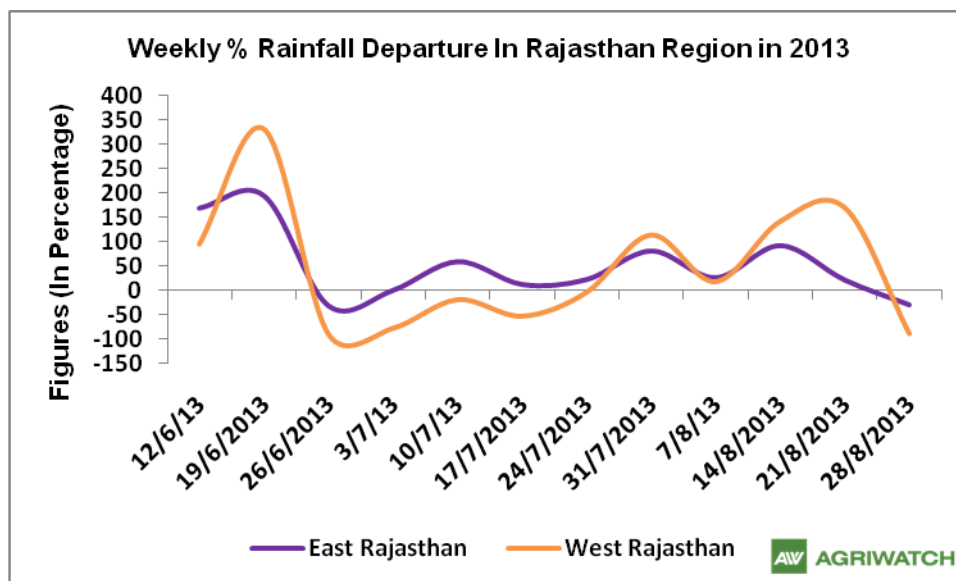
### Demand Side of Guar and Guar Gum:

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



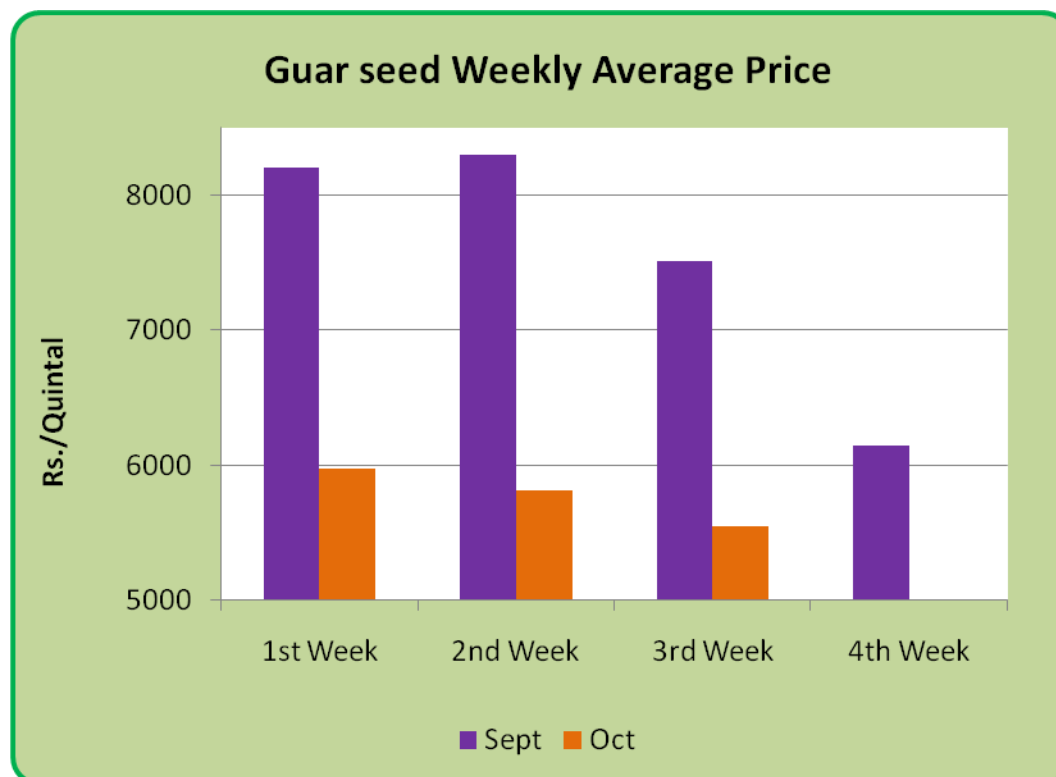
### Crop Outlook

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.

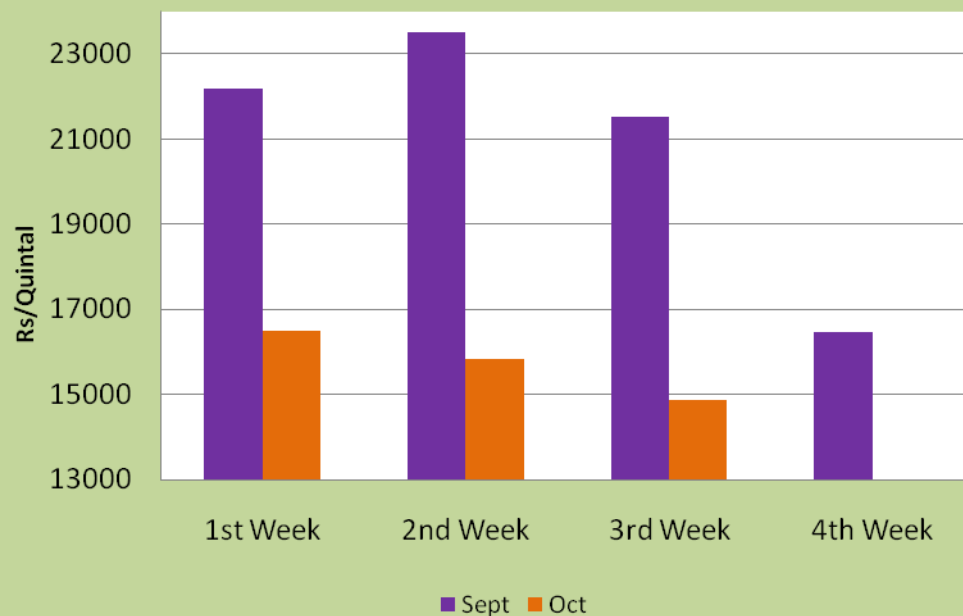


### Price Scenario

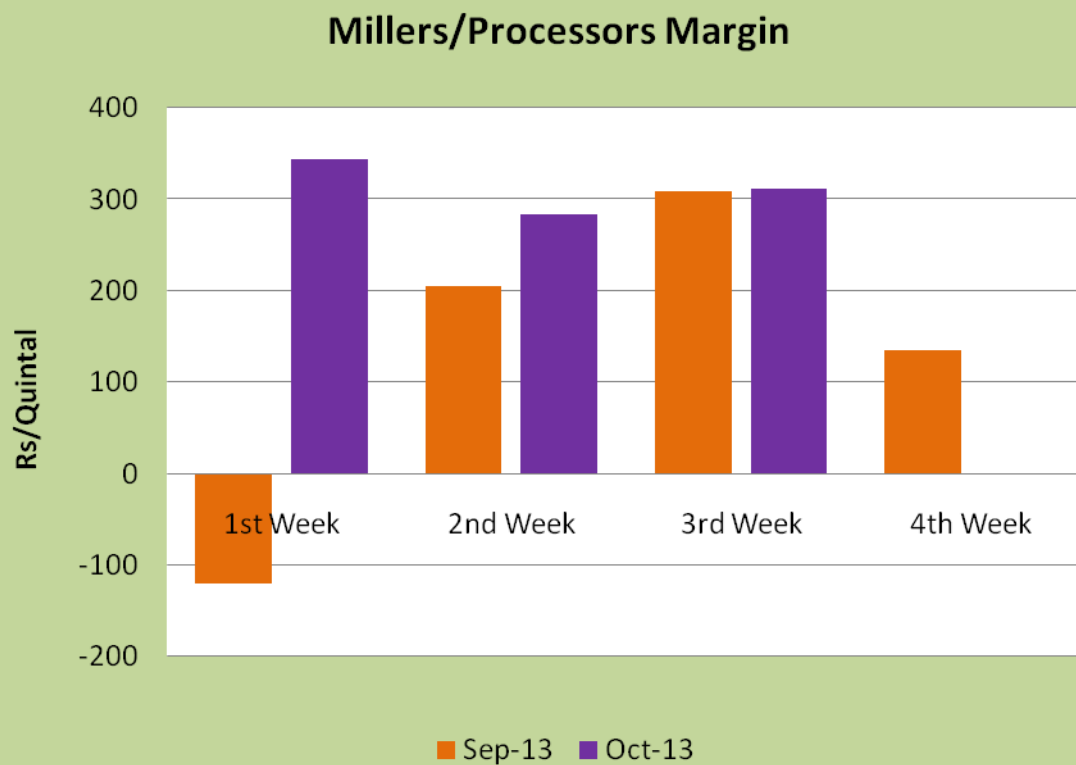
Guar seed weekly average prices declined during the week. In the third week of Oct, the average price of guar seed declined by 5% to Rs.5550/Qtl compared to prior week. Also, guar gum prices declined last week by 6.1% to Rs.14875/Qtl compared to previous week. The graph below illustrates the weekly average 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 improved compared to previous week. In the third week of October 2013, average crush margin stood at Rs. 311.58/Quintal which was 283.1 per quintal last week. Increase in churi and korma prices led the margin up this week.

#### Guar by – Products Weekly Average Prices:

Commodity	Centre	12th-18th Oct	5th-11th Oct	Change
Churi	Jodhpur	1325	1183	142
Korma	Jodhpur	1800	1792	8
Churi	Sri-Ganganagar	1225	1129	96
Korma	Sri-Ganganagar	1800	1875	-75
Prices in Rs/75kg				

#### Guar Export Weekly Average Prices:

Commodity	Variety	12th-18th Oct	5th-11th Oct	Change
Guargum Split		2647	2622	25
Guargum Powder	200 Mesh 5000 CPS	3299	3270	29
	200 Mesh 3500 CPS	3136	3108	28
Guargum Meal	40%	345	343	2
	50%	510	510	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	12th-18th Oct	5th-11th Oct	
Rajasthan	Jodhpur (Loose)	5125	5333	-208
	Jodhpur(Delivery)	5550	5817	-267
	Sri-Ganganagar(Loose)	5413	5792	-379
	Sri-Ganganagar (Delivery)	5588	5983	-396
	Nagaur (Loose)	5375	5250	125
	Alwar (loose)	4950	5475	-525
	Churu (Delivery)	5375	5933	-558
	Bikaner (Loose)	5488	5775	-288
	Bikaner (Delivery)	5725	6100	-375
	Khajuwala Bikaner (Loose)	5525	5854	-329
	Khajuwala Bikane(Delivery)	5746	6089	-343
	Nokha(Loose)	5275	5540	-265

	Nokha (Delivery)	5465	5739	-274
	Hanumangarh (Loose)	5483	5828	-346
	Hanumangarh (Delivery)	5695	6030	-335
Haryana	Adampur (Loose)	5475	6017	-542
	Adampur (Delivery)	5675	6267	-592
	Sirsa (Loose)	5125	5767	-642
	Bhiwani (Delivery)	5125	5833	-708
	Dhabwali (Loose)	5450	5780	-330
	Dhabwali (Delivery)	5700	6040	-340
	Siwani (Loose)	5500	5940	-440
	Ellanabad (Loose)	5450	6042	-592
Gujarat	Deesa (Loose)	5450	5415	35
	Patan (Loose)	5660	5703	-43
	Rajkot (Loose)	5566	5705	-139
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	15222	15833	-611
	Alwar	15319	15917	-597
Haryana	Sirsa	14572	15933	-1361
	Bhiwani	15158	15850	-692
	Dhabwali	15350	15700	-350
	Ellanabad	15389	15933	-544

### Week on week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	18-Oct-13	11-Oct-13	18-Sep-13	18-Oct-12
Rajasthan	Jodhpur (Loose)	4800	5500	6900	11500
	Jodhpur(Delivery)	5100	6000	7400	11500
	Sri-Ganganagar(Loose)	5250	5700	7500	11500
	Sri-Ganganagar (Delivery)	5400	5900	7700	12000
	Nagaur (Loose)	5000	5200	7400	NA
	Alwar (loose)	4800	5500	NA	NA
	Churu (Delivery)	5300	5600	NA	NA
	Bikaner (Loose)	5200	5800	7400	11000
	Bikaner (Delivery)	5500	6100	7700	11400
	Khajuwala Bikaner (Loose)	5200	5800	7500	NA
	Khajuwala Bikaner(Delivery)	5408	6032	7800	NA
	Nokha(Loose)	5200	5700	7100	10500

	Nokha (Delivery)	5387	5905	7355	11000
	Hanumangarh (Loose)	5330	5910	7250	12000
	Hanumangarh (Delivery)	5580	6150	7500	12500
Haryana	Adampur (Loose)	5300	6100	7600	12500
	Adampur (Delivery)	5500	6300	7900	12800
	Sirsa (Loose)	4800	6000	8000	11500
	Bhiwani (Delivery)	4500	6000	7300	11500
	Dhabwali (Loose)	5100	6000	7400	NA
	Dhabwali (Delivery)	5300	6200	7600	NA
	Siwani (Loose)	5300	5800	7400	NA
	Ellanabad (Loose)	5350	5900	7500	NA
Gujarat	Deesa (Loose)	5450	5500	7000	7500
	Patan (Loose)	5100	5505	6885	9900
	Rajkot (Loose)	5385	5500	7050	NA
Madhya pradesh	Dabra (Loose)	NA	NA	8000	NA
<b>Guar Gum</b>					
Rajasthan	Jodhpur	14500	16000	21200	33000
	Alwar	14500	16000	NA	NA
Haryana	Sirsa	12500	16000	20000	34000
	Bhiwani	14300	15500	20500	29500
	Dhabwali	14500	16000	22000	NA
	Ellanabad	15000	15700	21200	NA

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		12th-18th Oct	5th-11th Oct	
Rajasthan	Jodhpur	57000	65000	-8000
	Sri-Ganganagar	26000	26000	Unch
	Nagaur	220	450	-230
	Alwar	600	1200	-600
	Churu	900	2500	-1600
	Bikaner	1900	1500	400
	Khajuwala Bikaner	1000	1650	-650
	Nokha	700	350	350
	Hanumangarh	2700	2050	650
Haryana	Adampur	12500	10700	1800
	Sirsa	2800	950	1850
	Bhiwani	700	1200	-500
	Dhabwali	3100	2900	200

	Siwani	2100	1000	1100
	Ellanabad	3000	2250	750
Gujarat	Deesa	2095	1210	885
	Patan (Loose)	197	214	-17
	Rajkot	1780	2562	-782
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		119292	123686	-4394

## 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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