

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.

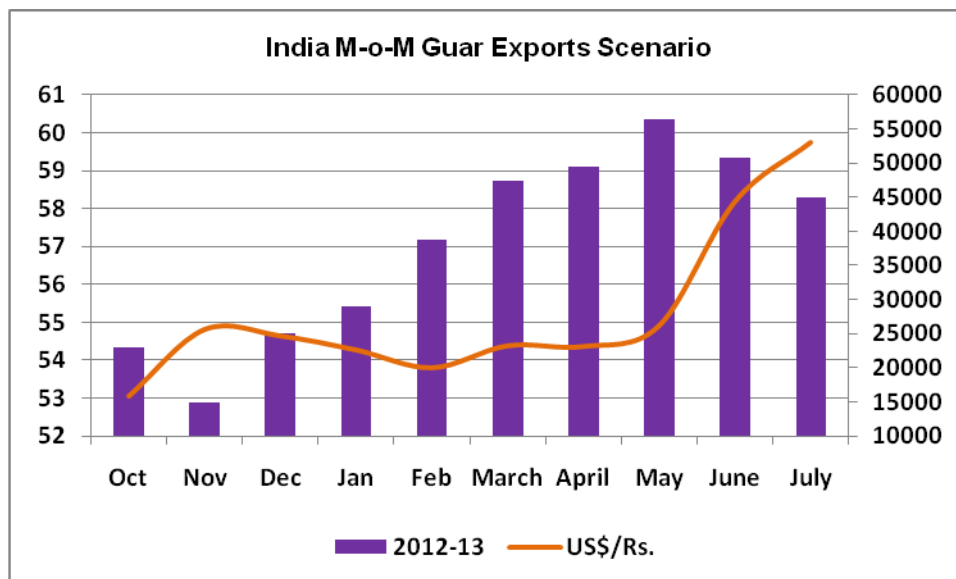
Export and Import Scenario

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.

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.

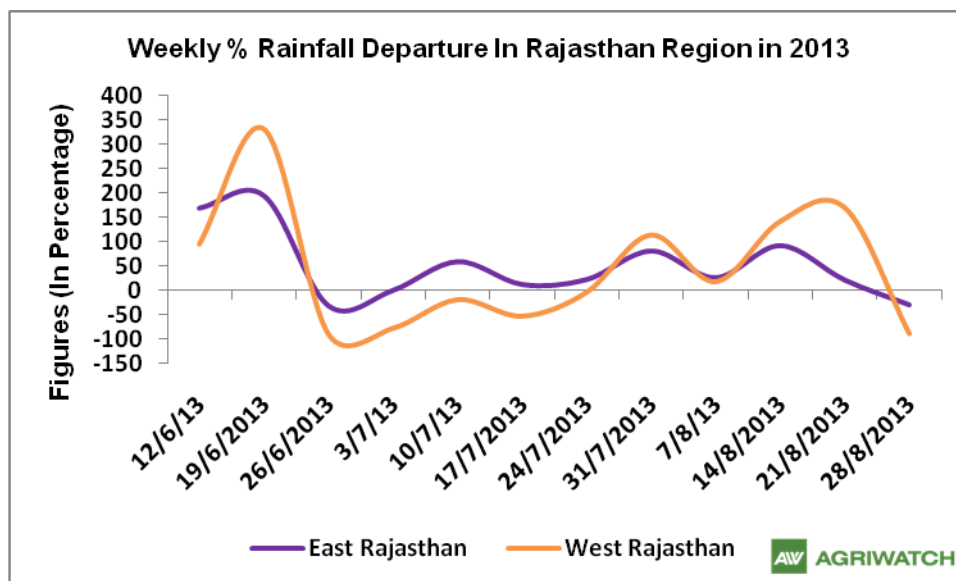
Demand Side of Guar and Guar Gum:

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



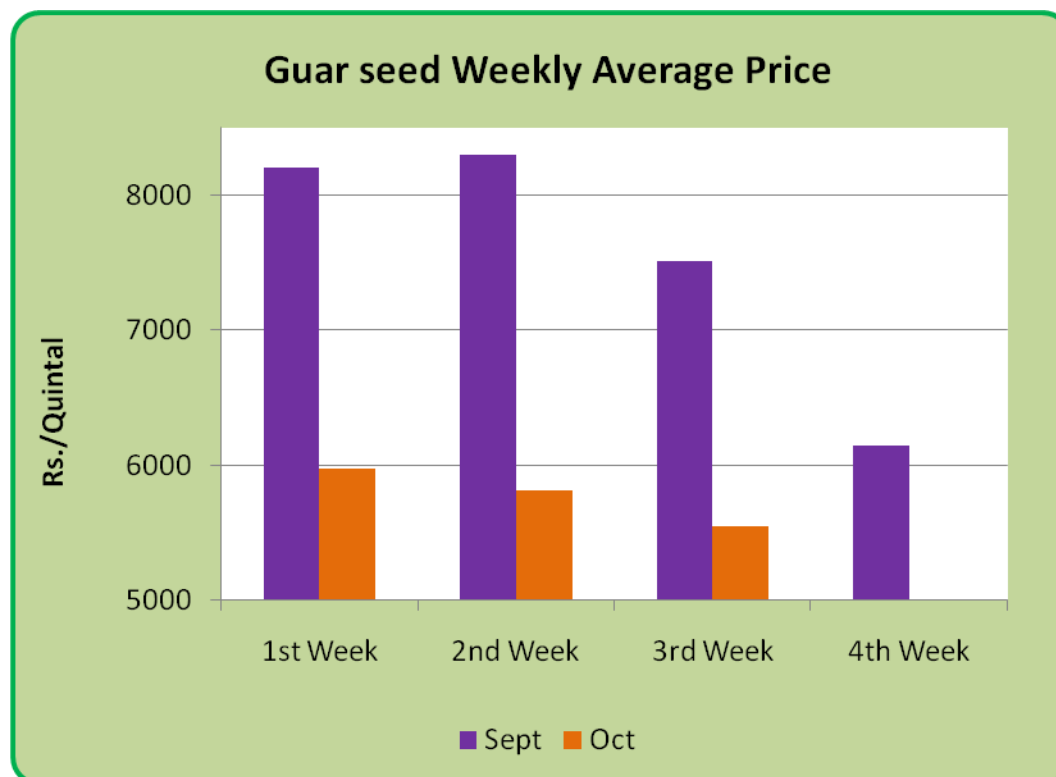
Crop Outlook

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.

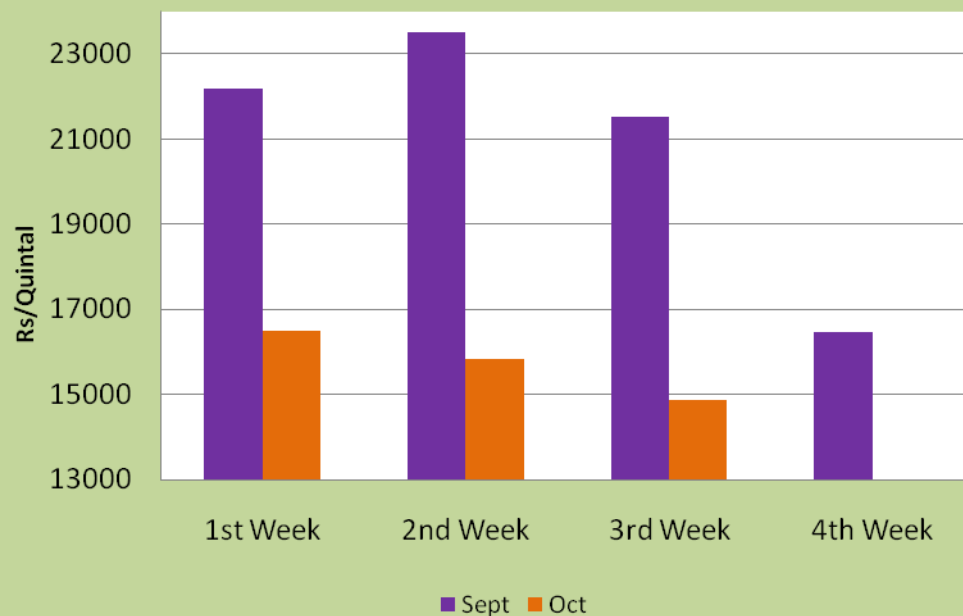


Price Scenario

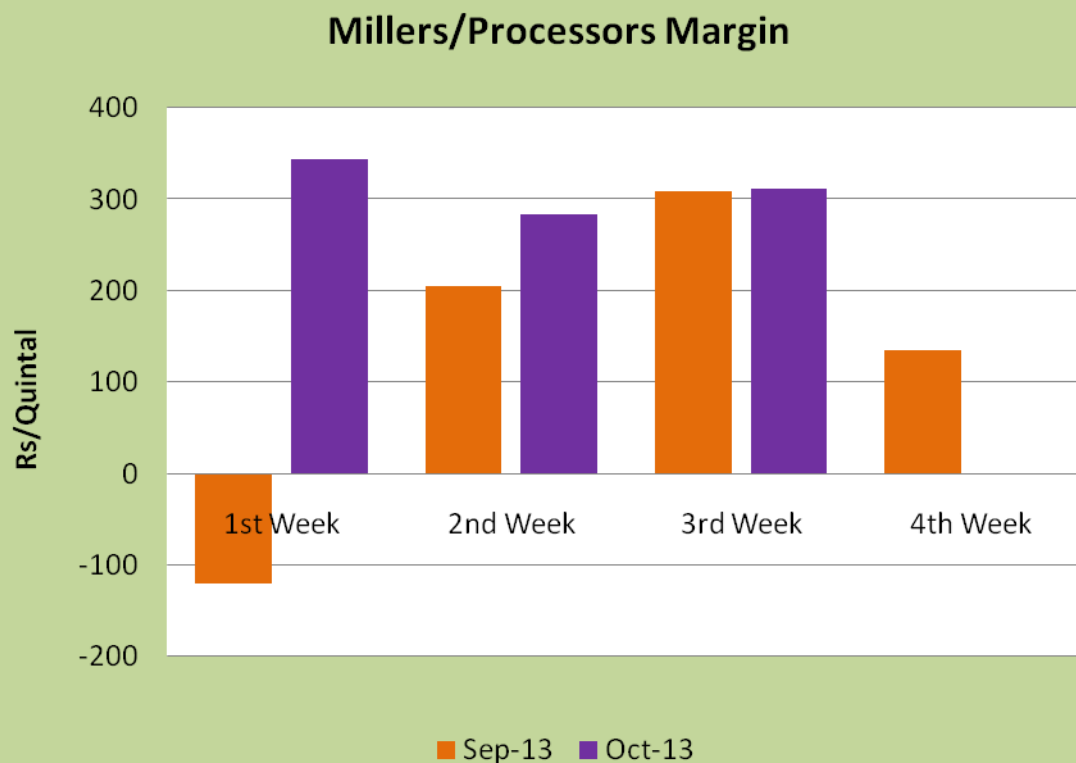
Guar seed weekly average prices declined during the week. In the third week of Oct, the average price of guar seed declined by 5% to Rs.5550/Qtl compared to prior week. Also, guar gum prices declined last week by 6.1% to Rs.14875/Qtl compared to previous week. The graph below illustrates the weekly average 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	19th-25th Oct	12th-18th Oct	Change
Churi	Jodhpur	1292	1325	-33
Korma	Jodhpur	1683	1800	-117
Churi	Sri-Ganganagar	1233	1225	+8
Korma	Sri-Ganganagar	1633	1800	-167
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	19th-25th Oct	12th-18th Oct	Change
Guargum Split		2466	2647	-181
Guargum Powder	200 Mesh 5000 CPS	3116	3299	-183
	200 Mesh 3500 CPS	2954	3136	-182
Guargum Meal	40%	320	345	-25
	50%	453	510	-57
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	19th-25th Oct	12th-18th Oct	
Rajasthan	Jodhpur (Loose)	5163	5125	+38
	Jodhpur(Delivery)	5460	5550	-90
	Sri-Ganganagar(Loose)	5217	5413	-196
	Sri-Ganganagar (Delivery)	5383	5588	-205
	Nagaur (Loose)	5050	5375	-325
	Alwar (loose)	4840	4950	-110
	Churu (Delivery)	5360	5375	-15
	Bikaner (Loose)	5383	5488	-105
	Bikaner (Delivery)	5633	5725	-92
	Khajuwala Bikaner (Loose)	5272	5525	-253
	Khajuwala Bikane(Delivery)	5483	5746	-263
	Nokha(Loose)	5275	5275	Unch

	Nokha (Delivery)	5465	5465	Unch
	Hanumangarh (Loose)	5333	5483	-150
	Hanumangarh (Delivery)	5542	5695	-153
Haryana	Adampur (Loose)	5330	5475	-145
	Adampur (Delivery)	5540	5675	-135
	Sirsa (Loose)	5120	5125	-5
	Bhiwani (Delivery)	5175	5125	+50
	Dhabwali (Loose)	5280	5450	-170
	Dhabwali (Delivery)	5480	5700	-220
	Siwani (Loose)	5350	5500	-150
	Ellanabad (Loose)	5345	5450	-105
Gujarat	Deesa (Loose)	5303	5450	-147
	Patan (Loose)	5148	5660	-512
	Rajkot (Loose)	5358	5566	-208
Madhya pradesh	Dabra (Loose)	5200	NA	-
Guar Gum				
Rajasthan	Jodhpur	14800	15222	-422
	Alwar	14700	15319	-619
Haryana	Sirsa	13700	14572	-872
	Bhiwani	14700	15158	-458
	Dhabwali	14600	15350	-750
	Ellanabad	14880	15389	-509

Week on week Price: Scenario of Guar seed and Guar gum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	25-Oct-13	18-Oct-13	25-Sep-13	25-Oct-12
Rajasthan	Jodhpur (Loose)	5255	4800	5500	9500
	Jodhpur(Delivery)	5560	5100	5800	10200
	Sri-Ganganagar(Loose)	5200	5250	5700	11000
	Sri-Ganganagar (Delivery)	5350	5400	6000	12500
	Nagaur (Loose)	5200	5000	5700	NA
	Alwar (loose)	5000	4800	5300	NR
	Churu (Delivery)	5500	5300	6000	NR
	Bikaner (Loose)	5350	5200	5800	9000
	Bikaner (Delivery)	5550	5500	6100	9400
	Khajuwala Bikaner (Loose)	5250	5200	6000	NR
	Khajuwala Bikane(Delivery)	5465	5408	6240	NR
	Nokha(Loose)	5400	5200	6000	9000

	Nokha (Delivery)	5596	5387	6216	9250
	Hanumangarh (Loose)	5400	5330	6100	9500
	Hanumangarh (Delivery)	5650	5580	6300	9800
Haryana	Adampur (Loose)	NA	5300	6300	10000
	Adampur (Delivery)	NA	5500	6500	10500
	Sirsa (Loose)	NA	4800	6000	11000
	Bhiwani (Delivery)	5100	4500	5500	10500
	Dhabwali (Loose)	NA	5100	5700	NA
	Dhabwali (Delivery)	NA	5300	6000	NA
	Siwani (Loose)	NA	5300	6000	NR
	Ellanabad (Loose)	NA	5350	6300	NR
Gujarat	Deesa (Loose)	5465	5450	5625	7925
	Patan (Loose)	5115	5100	5680	9200
	Rajkot (Loose)	5295	5385	5900	NR
Madhya pradesh	Dabra (Loose)	5200	NA	NA	NR
Guar Gum					
Rajasthan	Jodhpur	14800	14500	16000	31000
	Alwar	15000	14500	15000	NR
Haryana	Sirsa	NA	12500	19000	NR
	Bhiwani	14300	14300	18000	32000
	Dhabwali	NA	14500	16000	NA
	Ellanabad	NA	15000	16300	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		19th-25th Oct	12th-18th Oct	
Rajasthan	Jodhpur	49500	57000	-7500
	Sri-Ganganagar	38000	26000	+12000
	Nagaur	1400	220	+1180
	Alwar	1300	600	+700
	Churu	2000	900	+1100
	Bikaner	6000	1900	+4100
	Khajuwala Bikaner	2400	1000	+1400
	Nokha	900	700	+200
	Hanumangarh	8400	2700	+5700
Haryana	Adampur	21500	12500	+9000
	Sirsa	10000	2800	+7200
	Bhiwani	4400	700	+3700
	Dhabwali	4500	3100	+1400

Gujarat	Siwani	2300	2100	+200
	Ellanabad	8500	3000	+5500
	Deesa	5125	2095	+3030
	Patan (Loose)	1415	197	+1218
Madhya pradesh	Rajkot	10596	1780	+8816
	Dabra	60	NA	-
Total Arrival		176296	119292	+57004

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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2013 Indian Agribusiness Systems Pvt Ltd.