

Domestic Market Recap:

- Guar prices declined last week despite of decrease in arrivals in major markets.
- Guar seed crop got hurt badly in Western Rajasthan especially in Churu, Nagaur and Bikaner districts owing to one month dry spell which damage around 50% of the guar seed crop. It is notable that these areas are totally rainfed areas.
- Market participants expect around 40 percent increase in production over last year. Higher acreage and favorable weather, except a short span of time, may drive production figure up to the level of 2.25 million T against 1.5 million T last year.
- Around 33723 tons of guar gum (Splits and powder) exported to various countries in October month 2013 as reported. It is notable that India has exported 24504 tons of guar gum (Splits and Powder) in September month 2013.
- As higher arrivals are round the corner, stockiest and planters stay away from the market. Even guar gum demand remains at low at this point of time. Even 20 to 25 percent old stocks are still lying intact. All these factors hint bearish outlook in the months ahead.
- 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.
- Normal rainfall and sufficient irrigated water availability for guar results in normal yield in Ganganagar region 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.

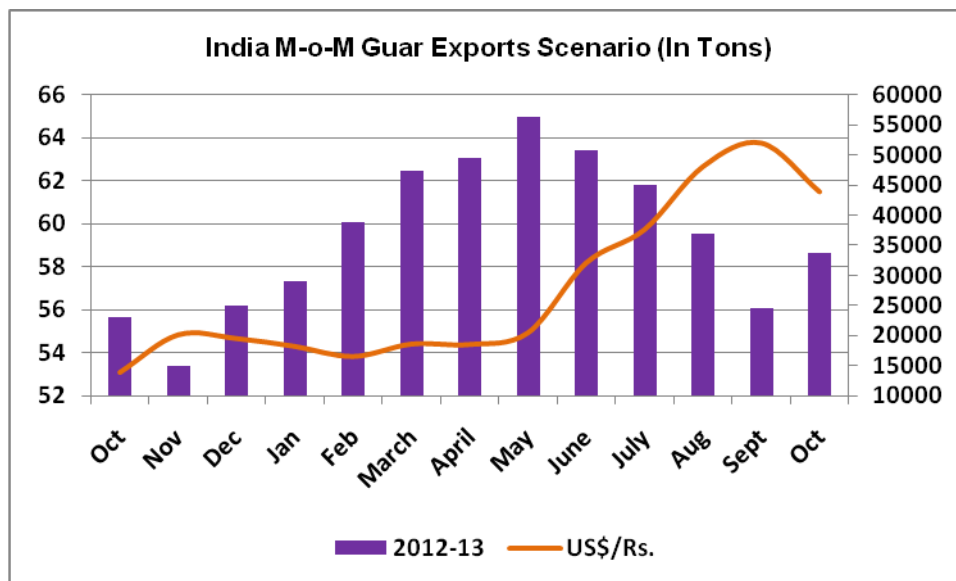
Export and Import Scenario

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.



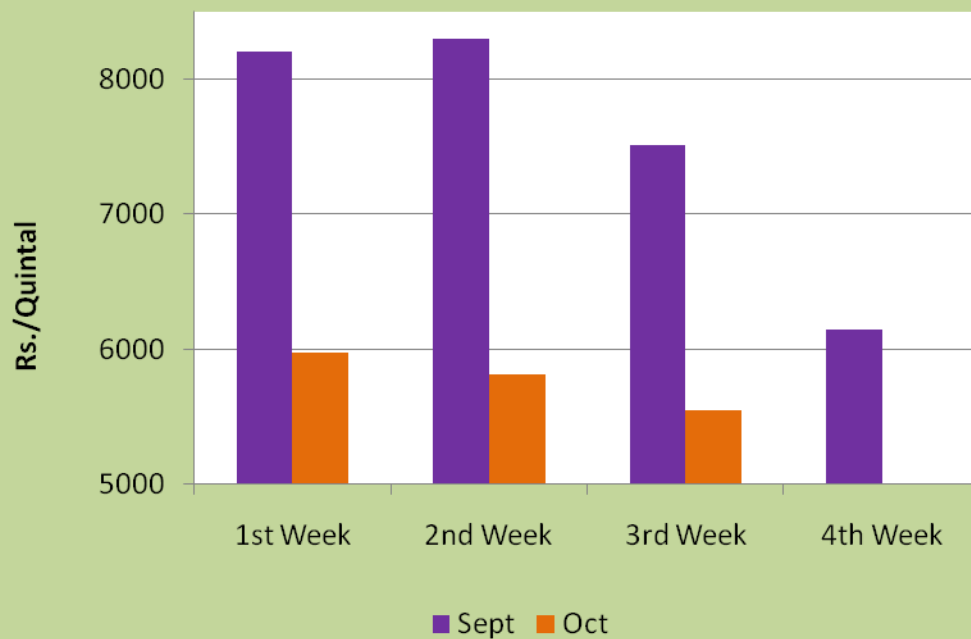
Crop Outlook

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.

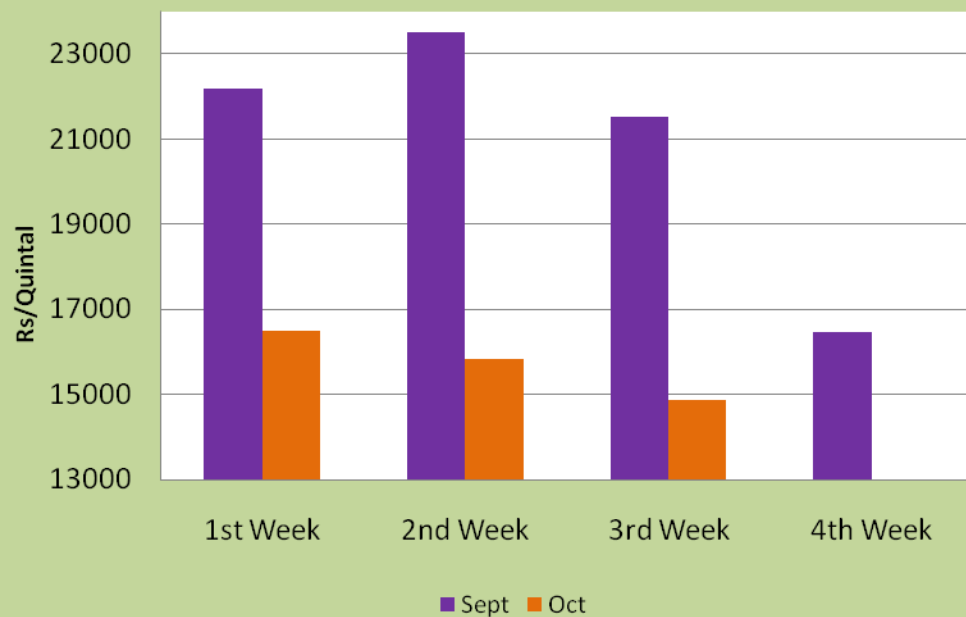
Price Scenario

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.

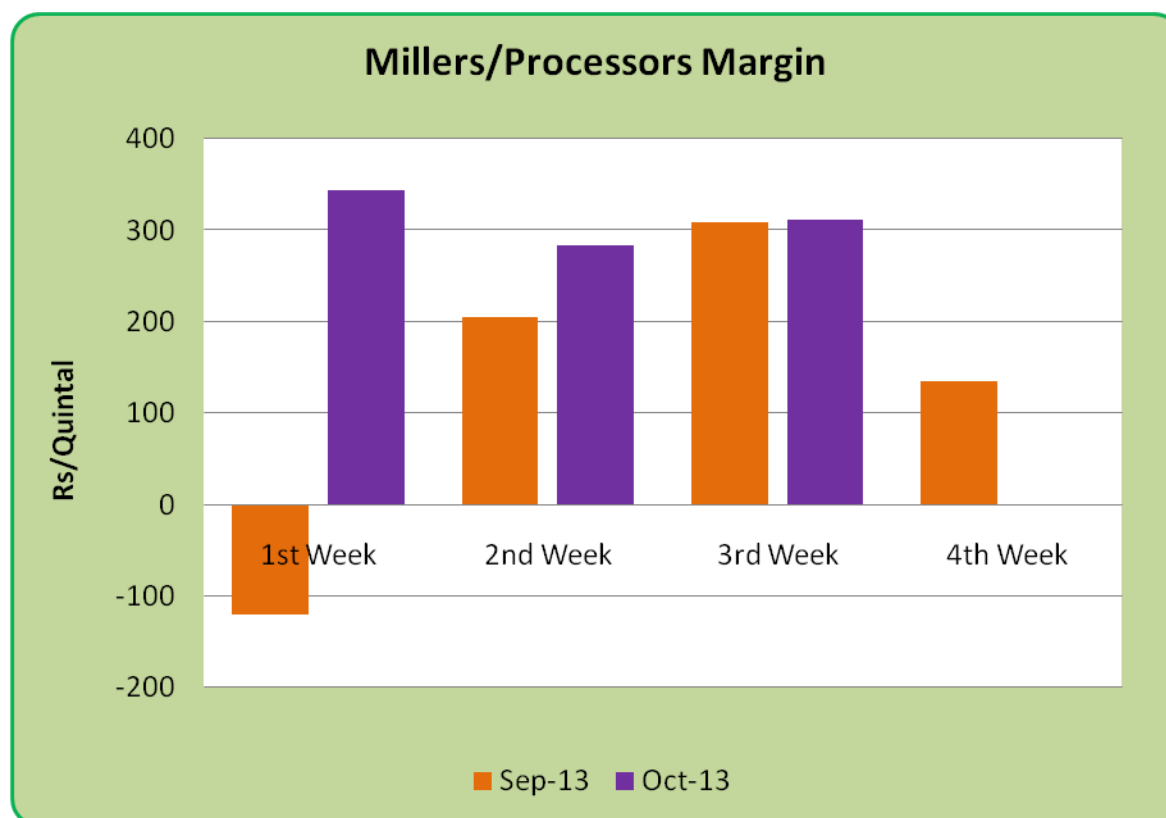
Guar seed Weekly Average Price



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. 312.8/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	2nd-8th Nov	26th Oct-1st Nov	Change
Churi	Jodhpur	1267	1250	17
Korma	Jodhpur	1570	1530	40
Churi	Sri-Ganganagar	1167	1150	17
Korma	Sri-Ganganagar	1467	1450	17
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	2nd-8th Nov	26th Oct-1st Nov	Change
Guargum Split		2410	2438	-28
Guargum Powder	200 Mesh 5000 CPS	3053	3088	-35

	200 Mesh 3500 CPS	2892	2925	-33
Guargum Meal	40%	300	307	-7
	50%	430	440	-10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		2nd-8th Nov	26th Oct-1st Nov	
Rajasthan	Guar Seeds			
	Jodhpur (Loose)	4900	5067	-167
	Jodhpur(Delivery)	5467	5450	17
	Sri-Ganganagar(Loose)	5292	5276	16
	Sri-Ganganagar (Delivery)	5400	5425	-25
	Nagaur (Loose)	5100	5200	-100
	Alwar (loose)	4950	4900	50
	Churu (Delivery)	5375	5383	-8
	Bikaner (Loose)	5183	5325	-142
	Bikaner (Delivery)	5400	5542	-142
	Khajuwala Bikaner (Loose)	5178	5190	-13
	Khajuwala Bikane(Delivery)	5385	5362	22
	Nokha(Loose)	5167	5170	-3
	Nokha (Delivery)	5346	5318	28
	Hanumangarh (Loose)	5350	5238	113
	Hanumangarh (Delivery)	5525	5425	100
Haryana	Adampur (Loose)	5213	5267	-54
	Adampur (Delivery)	5438	5475	-38
	Sirsa (Loose)	5375	5100	275
	Bhiwani (Delivery)	5300	5275	25
	Dhabwali (Loose)	5100	5170	-70
	Dhabwali (Delivery)	5350	5430	-80
	Siwani (Loose)	5250	5350	-100
	Ellanabad (Loose)	5213	5180	33
Gujarat	Deesa (Loose)	NR	4868	-
	Patan (Loose)	NR	5116	-
	Rajkot (Loose)	5338	5329	9
Madhya pradesh	Dabra (Loose)	5233	5233	Unch
Guar Gum				
Rajasthan	Jodhpur	14567	14783	-217
	Alwar	14750	14758	-8
Haryana	Sirsa	14325	13600	725

	Bhiwani	14625	15133	-508
	Dhabwali	14750	15100	-350
	Ellanabad	14925	15020	-95

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	8-Nov-13	1-Nov-13	8-Oct-13	8-Nov-12
Rajasthan	Jodhpur (Loose)	5000	4600	5000	8500
	Jodhpur(Delivery)	5600	5200	5500	9500
	Sri-Ganganagar(Loose)	5225	5250	5750	9000
	Sri-Ganganagar (Delivery)	5325	5300	6000	9700
	Nagaur (Loose)	5000	5100	5200	6000
	Alwar (loose)	4800	4800	5100	NR
	Churu (Delivery)	5300	5200	5700	NR
	Bikaner (Loose)	5100	5250	5800	9400
	Bikaner (Delivery)	5300	5500	6100	9800
	Khajuwala Bikaner (Loose)	5150	5150	5800	NR
	Khajuwala Bikaner(Delivery)	5356	5356	6032	NR
	Nokha(Loose)	5100	5200	5400	8100
	Nokha (Delivery)	5260	5387	5596	8390
	Hanumangarh (Loose)	5150	5225	5800	8500
	Hanumangarh (Delivery)	5325	5400	6000	9000
Haryana	Adampur (Loose)	5200	5200	5800	10000
	Adampur (Delivery)	5400	5400	6000	10250
	Sirsa (Loose)	5300	5200	5700	8500
	Bhiwani (Delivery)	5300	5300	5800	8200
	Dhabwali (Loose)	5000	5100	5800	8500
	Dhabwali (Delivery)	5250	5400	6000	8700
	Siwani (Loose)	5200	5400	5900	NR
	Ellanabad (Loose)	5200	5200	6000	NR
Gujarat	Deesa (Loose)	Closed	Closed	5250	8000
	Patan (Loose)	Closed	Closed	5325	9200
	Rajkot (Loose)	5425	5375	5625	NR
Madhya pradesh	Dabra (Loose)	5200	5200	NA	NA
Guar Gum					
Rajasthan	Jodhpur	14500	14200	15500	24000
	Alwar	14500	14500	15500	NR
Haryana	Sirsa	14000	14000	16000	NR

	Bhiwani	14500	15000	16000	27500
	Dhabwali	14500	15000	15500	27500
	Ellanabad	14700	14800	16300	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		2nd-8th Nov	26th Oct-1th Nov	
Rajasthan	Jodhpur	32000	64000	-32000
	Sri-Ganganagar	8500	32000	-23500
	Nagaur	2000	3000	-1000
	Alwar	1950	1300	650
	Churu	3100	2600	500
	Bikaner	1200	5000	-3800
	Khajuwala Bikaner	1900	4400	-2500
	Nokha	600	800	-200
	Hanumangarh	8500	17500	-9000
Haryana	Adampur	25000	29000	-4000
	Sirsa	13000	12500	500
	Bhiwani	4700	6800	-2100
	Dhabwali	5000	11000	-6000
	Siwani	3700	2250	1450
	Ellanabad	5300	7000	-1700
Gujarat	Deesa	NR	4540	-
	Patan (Loose)	NR	3400	-
	Rajkot	1350	7510	-6160
Madhya pradesh	Dabra	300	720	-420
Total Arrival		118100	215320	-97220

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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