

Domestic Market Recap:

- Guar prices are moving in a consolidation phase at present and present situation is not favorable for guar prices due to higher crop production and weak demand from overseas.
- Market is estimating 2.8-3 million tons of guar production for 2013-14.
- Presently, all millers are running guar gum factories at their full capacity as reported.
- 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.
- 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.
- 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.

Current Market Dynamics

Guar seed and gum prices are moving in a range with weak tone.. 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.

Meanwhile, Cumulative arrivals in the country of guar seed are reported to be around 490000 bags..

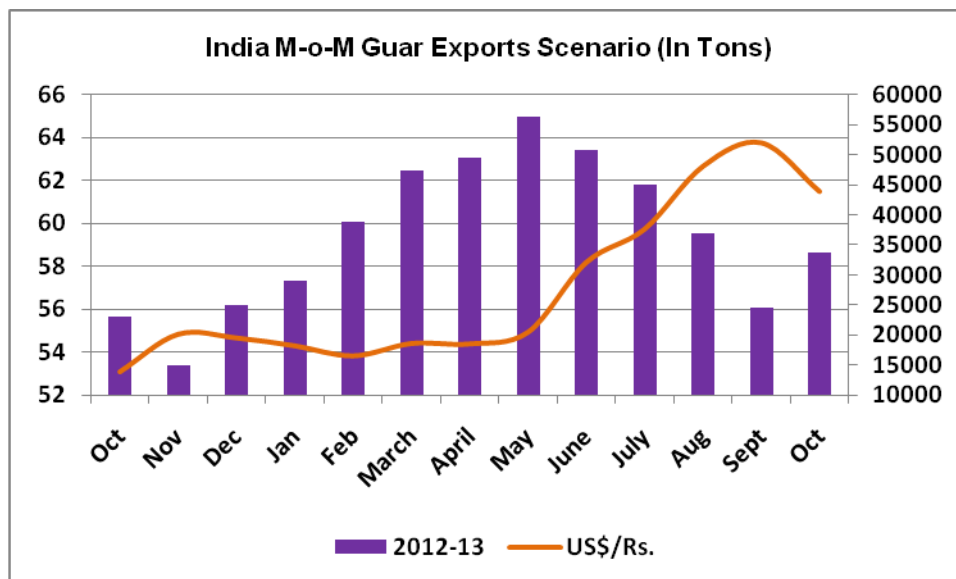
Export and Import Scenario

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.



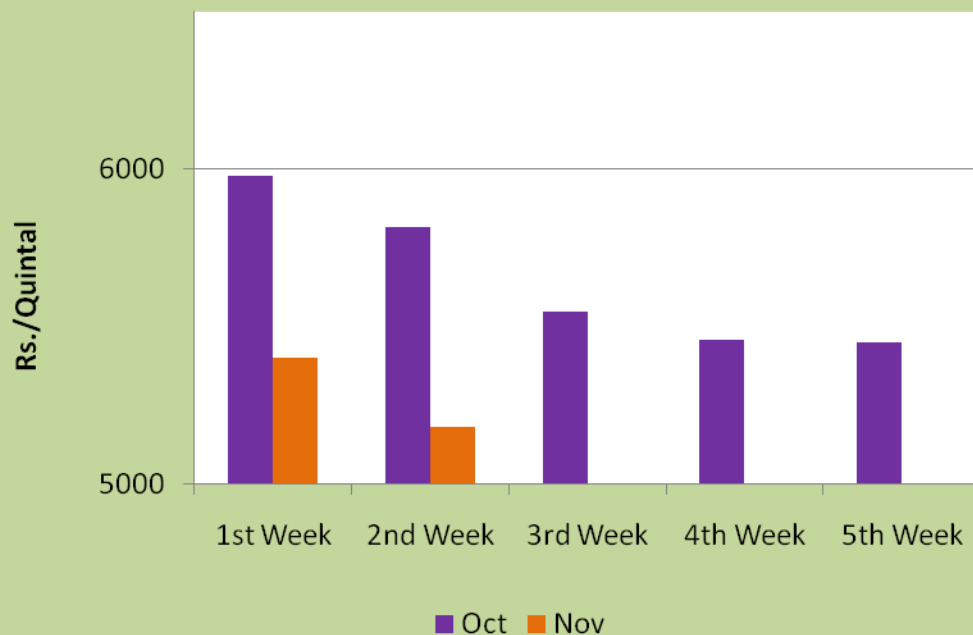
Crop Outlook

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.

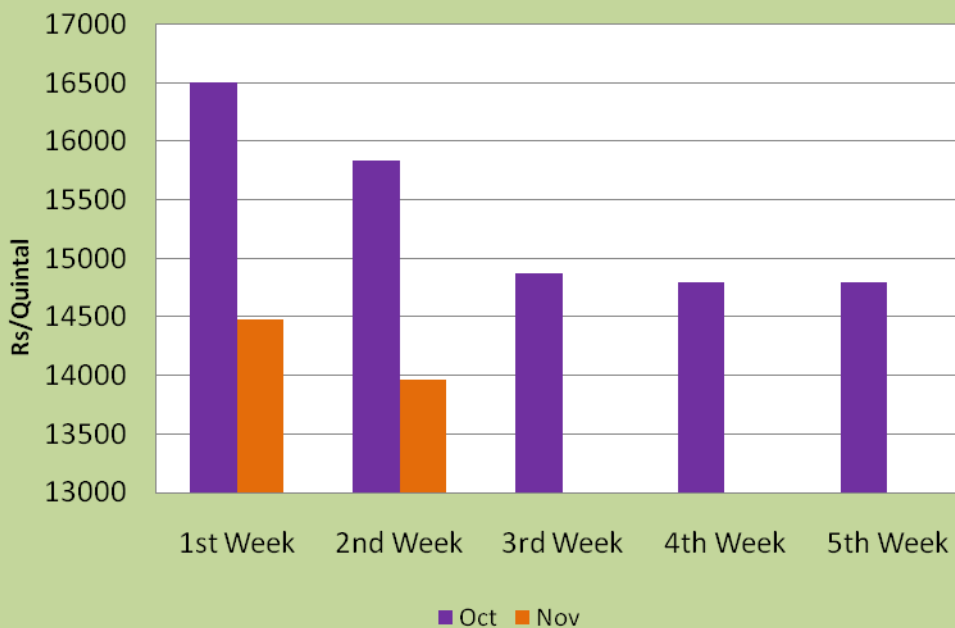
Price Scenario

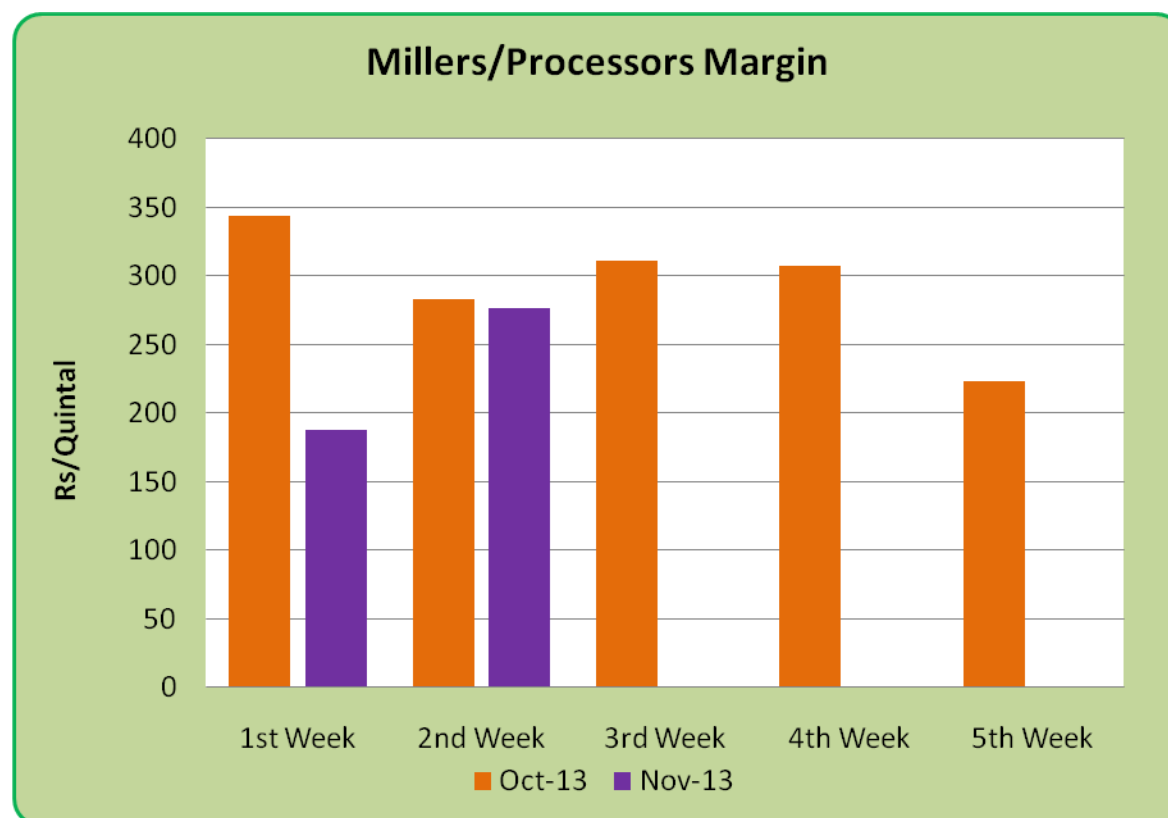
Guar seed weekly average prices declined during the week. In the second week, the average price of guar seed declined by 4% to Rs.5183/Qtl compared to prior week. Also, guar gum prices declined last week by 3.5% to Rs.13966/Qtl compared to previous week. The graph below illustrates the weekly average 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 second week of November 2013, average crush margin stood at Rs. 276.66/Quintal which was 187.71 per quintal last week. Increase in korma prices and higher degree of decline in guar seed prices compared to guar gum prices led the margin up this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	9th-15th Nov	2nd-8th Nov	Change
Churi	Jodhpur	1233	1267	-34
Korma	Jodhpur	1633	1570	63
Churi	Sri-Ganganagar	1150	1167	-17
Korma	Sri-Ganganagar	1617	1467	150
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	9th-15th Nov	2nd-8th Nov	Change
Guargum Split		2282	2410	-128
Guargum Powder	200 Mesh 5000 CPS	2862	3053	-191

	200 Mesh 3500 CPS	2704	2892	-188
Guargum Meal	40%	270	300	-30
	50%	427	430	-30
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	9th-15th Nov	2nd-8th Nov	
Rajasthan	Jodhpur (Loose)	4833	4900	-67
	Jodhpur(Delivery)	5183	5467	-284
	Sri-Ganganagar(Loose)	5008	5292	-284
	Sri-Ganganagar (Delivery)	5125	5400	-275
	Nagaur (Loose)	4867	5100	-233
	Alwar (loose)	4683	4950	-267
	Churu (Delivery)	5083	5375	-292
	Bikaner (Loose)	4958	5183	-225
	Bikaner (Delivery)	5158	5400	-242
	Khajuwala Bikaner (Loose)	4923	5178	-255
	Khajuwala Bikaner(Delivery)	5119	5385	-266
	Nokha(Loose)	4950	5167	-217
	Nokha (Delivery)	5111	5346	-235
	Hanumangarh (Loose)	4933	5350	-417
	Hanumangarh (Delivery)	5146	5525	-379
Haryana	Adampur (Loose)	4920	5213	-293
	Adampur (Delivery)	5108	5438	-330
	Sirsa (Loose)	5133	5375	-242
	Bhiwani (Delivery)	5042	5300	-258
	Dhabwali (Loose)	4867	5100	-233
	Dhabwali (Delivery)	5083	5350	-267
	Siwani (Loose)	5054	5250	-196
	Ellanabad (Loose)	5025	5213	-188
Gujarat	Deesa (Loose)	4572	NR	-
	Patan (Loose)	4842	NR	-
	Rajkot (Loose)	5271	5338	-67
Madhya pradesh	Dabra (Loose)	5500	5233	267
Guar Gum				

Rajasthan	Jodhpur	13967	14567	-284
	Alwar	14583	14750	-284
Haryana	Sirsa	13417	14325	-275
	Bhiwani	14267	14625	-233
	Dhabwali	14033	14750	-267
	Ellanabad	14117	14925	-292

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	15-Nov-13	8-Nov-13	15-Oct-13	15-Nov-12
Rajasthan	Jodhpur (Loose)	4800	5000	5000	8300
	Jodhpur(Delivery)	5200	5600	5500	9000
	Sri-Ganganagar(Loose)	5250	5225	5550	8800
	Sri-Ganganagar (Delivery)	5350	5325	5750	9500
	Nagaur (Loose)	4900	5000	5500	Closed
	Alwar (loose)	4800	4800	5000	NR
	Churu (Delivery)	5200	5300	5500	NR
	Bikaner (Loose)	5200	5100	5500	8500
	Bikaner (Delivery)	5400	5300	5700	8800
	Khajuwala Bikaner (Loose)	5200	5150	5750	NR
	Khajuwala Bikaner(Delivery)	5408	5356	5980	NR
	Nokha(Loose)	5100	5100	5400	8200
	Nokha (Delivery)	5283	5260	5596	8700
	Hanumangarh (Loose)	5100	5150	5600	8400
	Hanumangarh (Delivery)	5325	5325	5850	8700
Haryana	Adampur (Loose)	5100	5200	5500	9000
	Adampur (Delivery)	5300	5400	5700	9250
	Sirsa (Loose)	5200	5300	5000	8800
	Bhiwani (Delivery)	5350	5300	5500	8500
	Dhabwali (Loose)	5000	5000	5700	9000
	Dhabwali (Delivery)	5400	5250	5900	9300
	Siwani (Loose)	5275	5200	5600	NR
	Ellanabad (Loose)	5250	5200	5400	NR
Gujarat	Deesa (Loose)	Closed	Closed	5750	Closed
	Patan (Loose)	5340	Closed	6500	Closed
	Rajkot (Loose)	5375	5425	6000	NR
Madhya pradesh	Dabra (Loose)	NA	5200	NA	NR
Guar Gum					

Rajasthan	Jodhpur	14500	14500	15000	29000
	Alwar	14500	14500	15500	NR
Haryana	Sirsa	13500	14000	14500	28000
	Bhiwani	14900	14500	15500	25000
	Dhabwali	14700	14500	15500	24500
	Ellanabad	14700	14700	15500	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		9th-15th Nov	2nd-8th Nov	
Rajasthan	Jodhpur	Closed	32000	-
	Sri-Ganganagar	5000	8500	-3500
	Nagaur	500	2000	-1500
	Alwar	600	1950	-1350
	Churu	800	3100	-2300
	Bikaner	300	1200	-900
	Khajuwala Bikaner	1000	1900	-900
	Nokha	200	600	-400
	Hanumangarh	1200	8500	-7300
Haryana	Adampur	7000	25000	-18000
	Sirsa	6000	13000	-7000
	Bhiwani	1500	4700	-3200
	Dhabwali	500	5000	-4500
	Siwani	2500	3700	-1200
	Ellanabad	1200	5300	-4100
Gujarat	Deesa	Closed	NR	-
	Patan (Loose)	570	NR	-
	Rajkot	950	1350	-400
Madhya pradesh	Dabra	NA	300	-
Total Arrival		29820	29820	Unch

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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