

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.
- India has exported 11200 tons of guar seed in the third week of November 2013 as reported.
- Guar seed have started arriving in Bikaner district which is considered as a big trading hub of guar seed in Rajasthan. However, volume is still pretty less compared to prior year. Khajuwala mandi alone got 1200 bags daily followed by Bikaner mandi where 500-700 bags are arriving daily. According to reliable sources, large farmers are not willing to sell their produce at present prices which became a major factor for low arrivals in the APMC markets. In addition to it, villagers are engaged in upcoming state elections which also restrict the arrivals of guar seed. However, arrivals of guar seed would pick up pace after state elections as per our expectations.
- 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 damaged around 50% of the guar seed crop. It is notable that these areas are totally rainfed areas.

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..

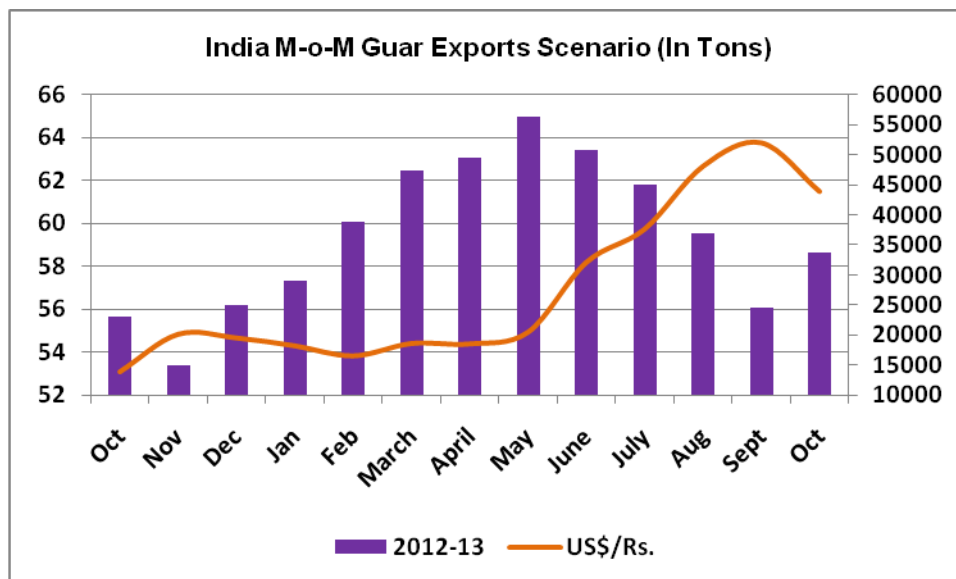
Export and Import Scenario

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.



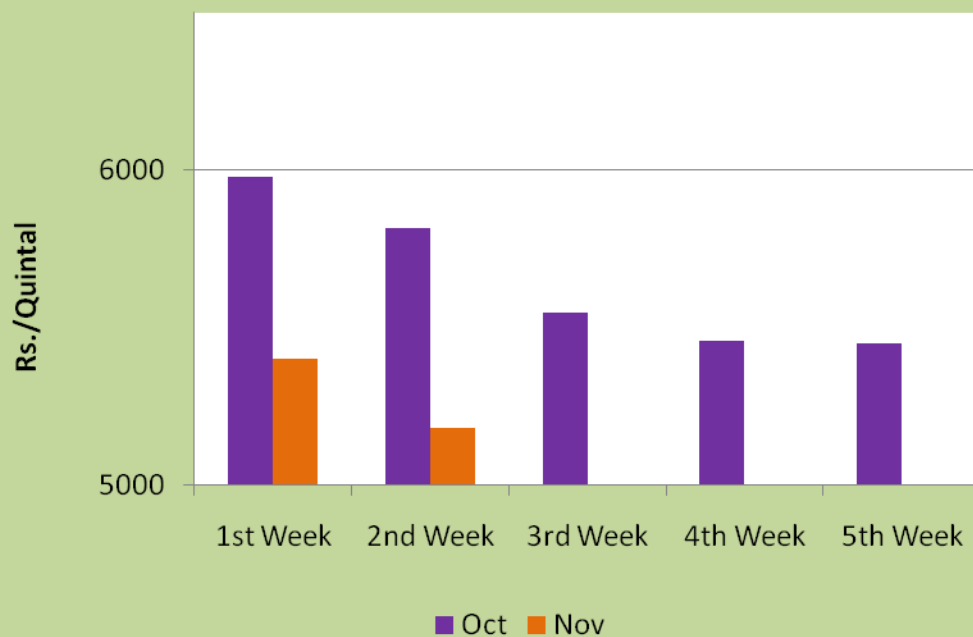
Crop Outlook

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.

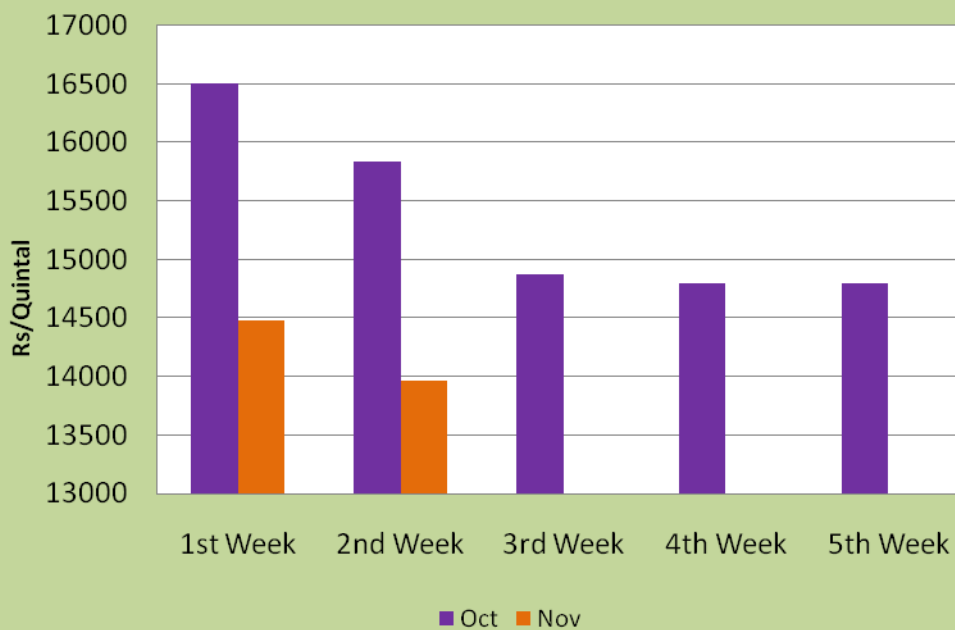
Price Scenario

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.

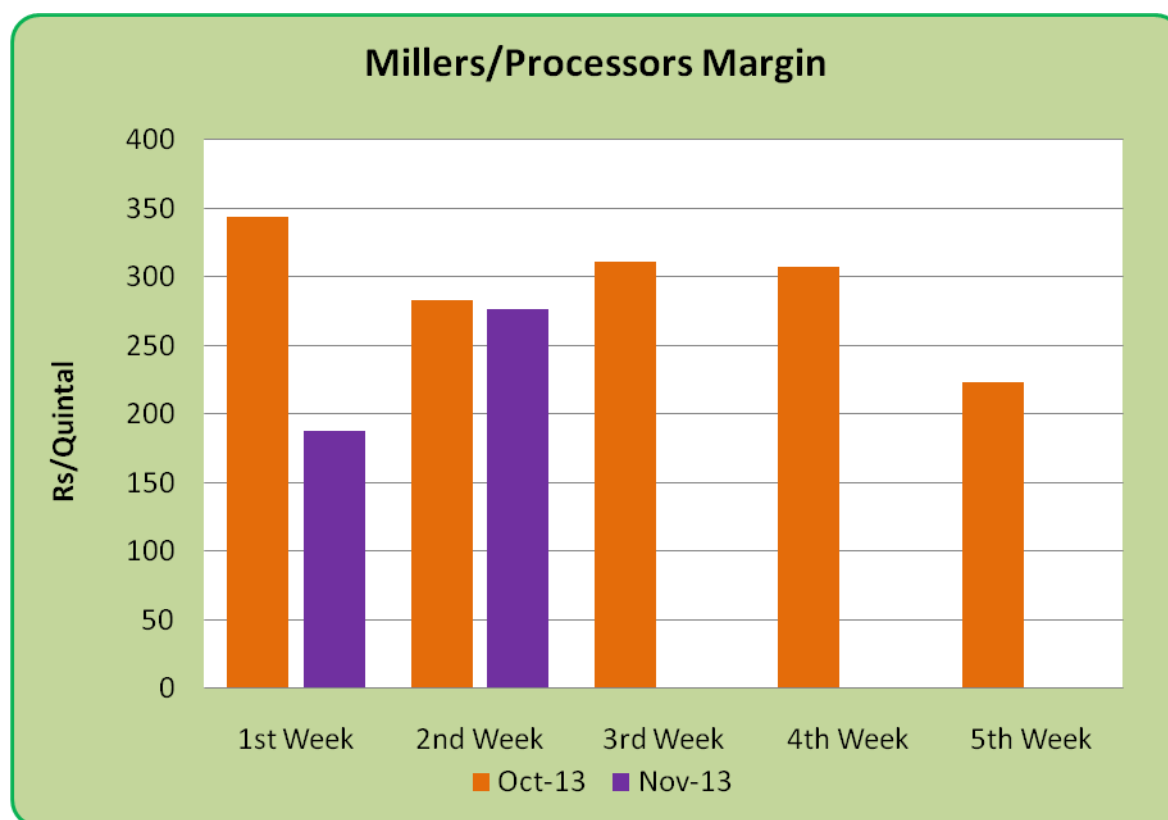
Guar seed Weekly Average Price



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	16th-22th Nov	9th-15th Nov	Change
Churi	Jodhpur	1000	1233	-233
Korma	Jodhpur	1330	1633	-303
Churi	Sri-Ganganagar	1042	1150	-108
Korma	Sri-Ganganagar	1383	1617	-234
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	16th-22th Nov	9th-15th Nov	Change
Guargum Split		2354	2282	72
Guargum Powder	200 Mesh 5000 CPS	2992	2862	130
	200 Mesh 3500 CPS	2832	2704	128

Guargum Meal	40%	260	270	-10
	50%	403	427	-24
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	16th-22th Nov	9th-15th Nov	
Rajasthan	Jodhpur (Loose)	4933	4833	100
	Jodhpur(Delivery)	5242	5183	58
	Sri-Ganganagar(Loose)	5050	5008	42
	Sri-Ganganagar (Delivery)	5200	5125	75
	Nagaur (Loose)	4783	4867	-83
	Alwar (loose)	4900	4683	217
	Churu (Delivery)	5350	5083	267
	Bikaner (Loose)	5017	4958	58
	Bikaner (Delivery)	5208	5158	50
	Khajuwala Bikaner (Loose)	5017	4923	94
	Khajuwala Bikaner(Delivery)	5217	5119	98
	Nokha(Loose)	5050	4950	100
	Nokha (Delivery)	5231	5111	121
	Hanumangarh (Loose)	4905	4933	-28
	Hanumangarh (Delivery)	5143	5146	-3
Haryana	Adampur (Loose)	4975	4920	55
	Adampur (Delivery)	5175	5108	67
	Sirsa (Loose)	5140	5133	7
	Bhiwani (Delivery)	5100	5042	58
	Dhabwali (Loose)	4988	4867	122
	Dhabwali (Delivery)	5233	5083	150
	Siwani (Loose)	5067	5054	13
	Ellanabad (Loose)	5083	5025	58
Gujarat	Deesa (Loose)	4869	4572	298
	Patan (Loose)	4909	4842	67
	Rajkot (Loose)	5250	5271	-21
Madhya pradesh	Dabra (Loose)	5160	5500	-340
Guar Gum				
Rajasthan	Jodhpur	14317	13967	350
	Alwar	14750	14583	167
Haryana	Sirsa	13800	13417	383
	Bhiwani	14300	14267	33
	Dhabwali	14550	14033	517

	Ellanabad	14383	14117	267
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Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	22-Nov-13	15-Nov-13	22-Oct-13	22-Nov-12
Rajasthan	Jodhpur (Loose)	4933	4800	5000	8400
	Jodhpur(Delivery)	5242	5200	5300	8600
	Sri-Ganganagar(Loose)	5050	5250	5200	8800
	Sri-Ganganagar (Delivery)	5200	5350	5350	9300
	Nagaur (Loose)	4783	4900	5000	8900
	Alwar (loose)	4900	4800	4700	NR
	Churu (Delivery)	5350	5200	5300	NR
	Bikaner (Loose)	5017	5200	5250	8500
	Bikaner (Delivery)	5208	5400	5500	9000
	Khajuwala Bikaner (Loose)	5017	5200	5250	NR
	Khajuwala Bikane(Delivery)	5217	5408	5460	NR
	Nokha(Loose)	5050	5100	5200	8500
	Nokha (Delivery)	5231	5283	5387	8800
	Hanumangarh (Loose)	4905	5100	5200	9000
	Hanumangarh (Delivery)	5143	5325	5350	9200
Haryana	Adampur (Loose)	4975	5100	5200	8800
	Adampur (Delivery)	5175	5300	5400	9050
	Sirsa (Loose)	5140	5200	5100	9000
	Bhiwani (Delivery)	5100	5350	5300	8200
	Dhabwali (Loose)	4988	5000	5400	8700
	Dhabwali (Delivery)	5233	5400	5600	9100
	Siwani (Loose)	5067	5275	5300	NR
	Ellanabad (Loose)	5083	5250	5250	NR
Gujarat	Deesa (Loose)	4869	Closed	5350	8100
	Patan (Loose)	4909	5340	5100	8900
	Rajkot (Loose)	5250	5375	5350	NR
Madhya pradesh	Dabra (Loose)	5160	NA	NA	NA
Guar Gum					
Rajasthan	Jodhpur	14317	14500	14500	26000
	Alwar	14750	14500	14000	NR
Haryana	Sirsa	13800	13500	14000	27000
	Bhiwani	14300	14900	15500	23500
	Dhabwali	14550	14700	14500	24000
	Ellanabad	14383	14700	14200	NR

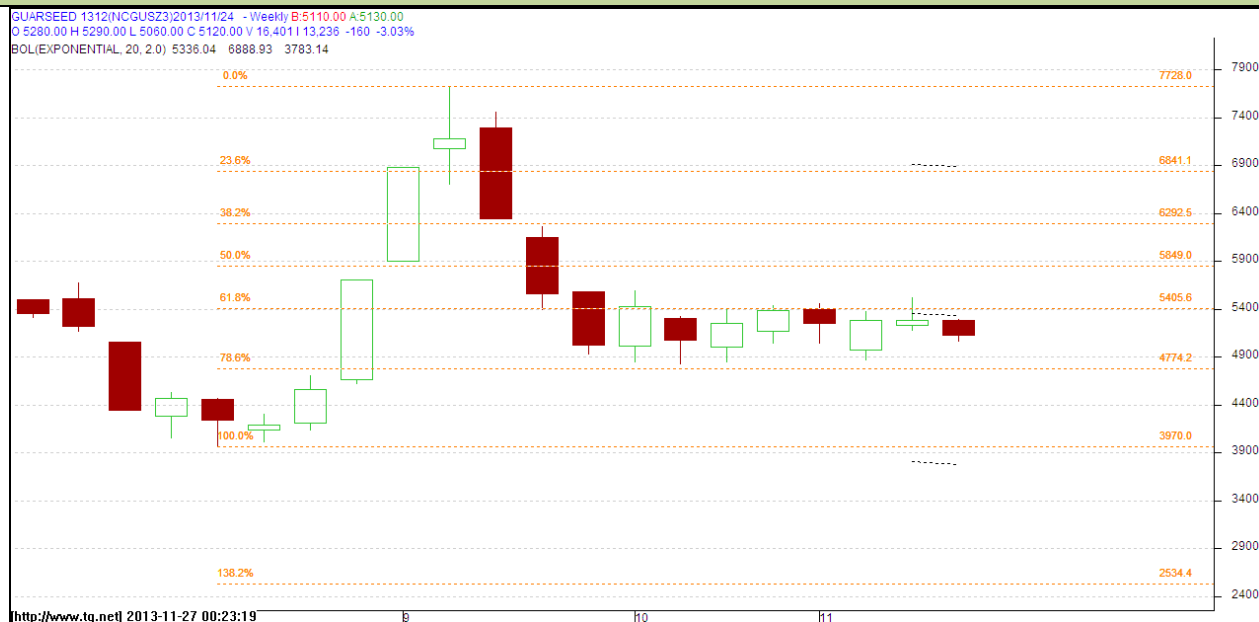
Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		16th-22th Nov	9th-15th Nov	
Rajasthan	Jodhpur	66000	80000	-14000
	Sri-Ganganagar	32000	25000	7000
	Nagaur	2800	3800	-1000
	Alwar	2600	3200	-600
	Churu	4800	5200	-400
	Bikaner	3100	3000	100
	Khajuwala Bikaner	6700	5800	900
	Nokha	1250	1750	-500
	Hanumangarh	3800	9700	-5900
Haryana	Adampur	39500	44000	-4500
	Sirsa	21000	41000	-20000
	Bhiwani	5200	5500	-300
	Dhabwali	7200	10300	-3100
	Siwani	15500	8900	6600
	Ellanabad	10700	9700	1000
Gujarat	Deesa	7827	6900	927
	Patan (Loose)	2834	6274	-3440
	Rajkot	5490	5700	-210
Madhya pradesh	Dabra	550	150	400
Total Arrival		238851	275874	-37023

Commodity: Guar Seed
Contract: December

Exchange: NCDEX
Expiry: Dec 20, 2013

Guar Seed (Weekly December Contract Chart)



Technical Commentary:

- Guar prices are hovering in a consolidation phase as chart depicts.
- Last candlestick depicts bearishness.
- Prices are leading towards 78.6% retracement level.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Dec	3970	4770	5280	5410	5850
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec	Sell	Below 5250	5000	4880	5400

Commodity: Guar Gum
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2013

Guar Gum (Dec Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- However, RSI is hovering at neutral region.
- Last candlesticks depict bearishness.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Dec	11320	13580	14550	15360	16610
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec	Sell	Below 14400	14000	13800	14640

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 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 prices are moving in a southward direction due to consistent supply pressure of the newly guar crop. In addition to it, dull demand of guar gum splits and powder from International markets also spread bearishness in the market.

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