

Domestic Market Recap:

- Prices of guar gum and seed continue its southward movement. Weak M-O-M exports of guar gum and splits and increasing arrivals of new crop in the mandis become the major influencing factors which drive the prices downwards.
- Farmers now can sell their stock in panic considering W-o-W decline in guar seed prices.
- Reportedly, around 18 lac tons of guar seed has been crushed in 2012-13.
- India has exported 11200 tons of guar seed in the third week of November 2013 as reported.
- As per the expectations, prices of guar seed declined sharply after elections in Rajasthan.
- Market is estimating 2.8-3 million tons of guar production for 2013-14.

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, Daily arrivals in the country of guar seed are reported to be around 90000-100000 bags..

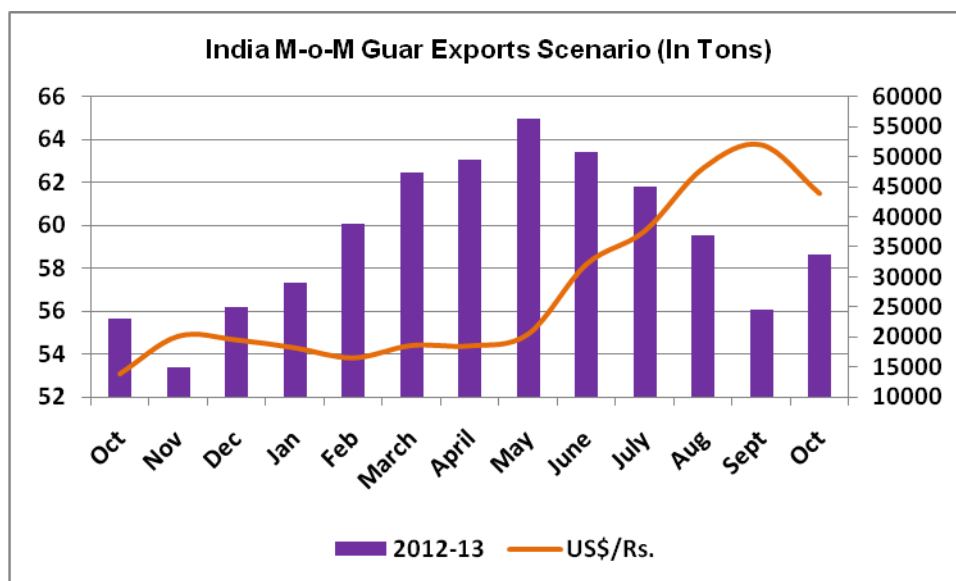
Export and Import Scenario

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.

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.

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.

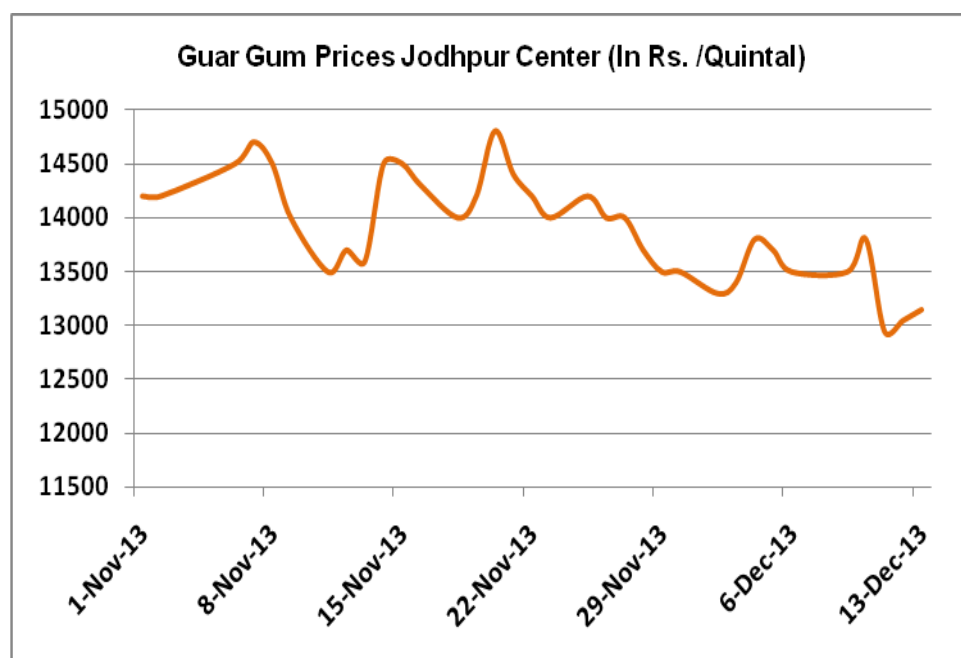
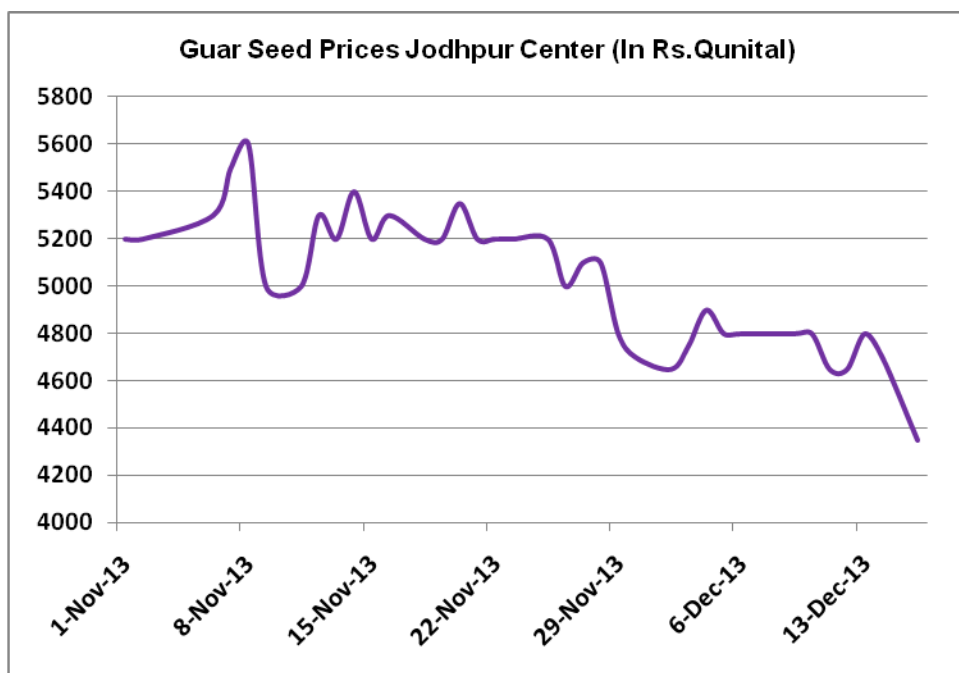


Crop Outlook

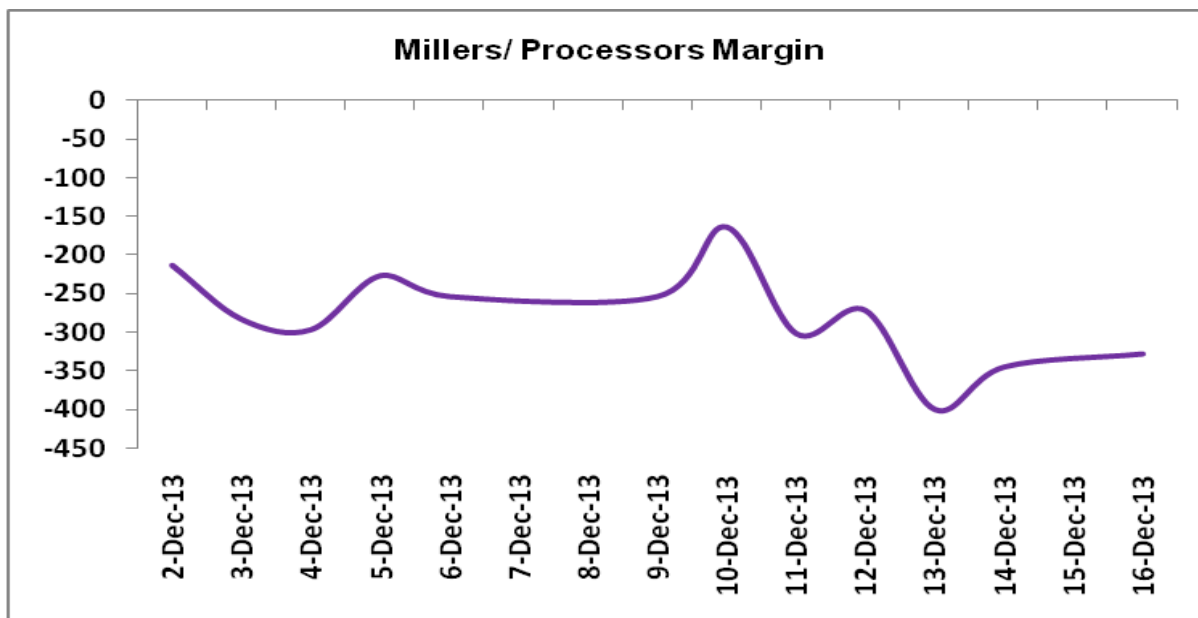
Haryana and Rajasthan are expected to cover higher area. As monsoon remains favorable bumper production is once again on the card. Sowing is over in Gujarat and it is under way in Rajasthan and Haryana. Crop condition in Gujarat is satisfactory so far. Farmers from Bikaner and Ganga Nagar would grow 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 0.6% to Rs.4740/Qtl compared to prior week. Also, guar gum prices declined last week by 1.8% to Rs.13290/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.



Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed declined compared to previous week. In the second week of December 2013, average crush margin stood at Rs. -278/Quintal which was -240 per quintal last week. Decrease in Churi and korma prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	7th-13th Dec	30th Nov-6th Nov	Change
Churi	Jodhpur	910	875	35
Korma	Jodhpur	1225	1233	-8
Churi	Sri-Ganganagar	820	875	-55
Korma	Sri-Ganganagar	1210	1342	-132
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	7th-13th Dec	30th Nov-6th Nov	Change
Guargum Split		2180	2368	-188
Guargum Powder	200 Mesh 5000 CPS	2830	3006	-176
	200 Mesh 3500 CPS	2667	2846	-179
Guargum Meal	40%	256	267	-11
	50%	352	340	12

Prices in \$/MT

Commodity	Centre	Weekly Prices (Average)		Change
		7th-13th Dec	30th Nov-6th Nov	
Rajasthan	Jodhpur (Loose)	4490	4467	23
	Jodhpur(Delivery)	4740	4767	-27
	Sri-Ganganagar(Loose)	4610	4542	68
	Sri-Ganganagar (Delivery)	4740	4742	-2
	Nagaur (Loose)	4410	4490	-80
	Alwar (loose)	4300	4360	-60
	Churu (Delivery)	4660	4820	-160
	Bikaner (Loose)	4550	4590	-40
	Bikaner (Delivery)	4770	4760	10
	Khajuwala Bikaner (Loose)	4540	4547	-7
	Khajuwala Bikane(Delivery)	4742	4729	14
	Nokha(Loose)	4513	4500	13
	Nokha (Delivery)	4675	4679	-4
	Hanumangarh (Loose)	4575	4575	Unch
	Hanumangarh (Delivery)	4781	4794	-13
Haryana	Adampur (Loose)	4590	4675	-85
	Adampur (Delivery)	4790	4850	-60
	Sirsa (Loose)	4600	4708	-108
	Bhiwani (Delivery)	4690	4717	-27
	Dhabwali (Loose)	4560	4525	35
	Dhabwali (Delivery)	4790	4725	65
	Siwani (Loose)	4725	4771	-46
	Ellanabad (Loose)	4638	4656	-18
Gujarat	Deesa (Loose)	4400	4366	34
	Patan (Loose)	4342	4285	57
	Rajkot (Loose)	4553	4713	-160
Madhya pradesh	Dabra (Loose)	4050	4083	-33
Guar Gum				
Rajasthan	Jodhpur	13290	13533	-243
	Alwar	13400	13620	-220
Haryana	Sirsa	12000	12650	-650
	Bhiwani	13410	13575	-165
	Dhabwali	13360	13675	-315
	Ellanabad	13520	13883	-363

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	13-Dec-13	6-Dec-13	13-Nov-13	13-Dec-12
Rajasthan	Jodhpur (Loose)	4550	4500	4800	13000
	Jodhpur(Delivery)	4800	4800	5200	13300
	Sri-Ganganagar(Loose)	4550	4700	4950	12500
	Sri-Ganganagar (Delivery)	4700	4850	5050	12800
	Nagaur (Loose)	4400	4500	4800	12200
	Alwar (loose)	4100	4500	4500	12000
	Churu (Delivery)	4400	4800	5000	12500
	Bikaner (Loose)	4550	4650	4850	13200
	Bikaner (Delivery)	4750	4850	5050	13500
	Khajuwala Bikaner (Loose)	4480	4600	4825	NR
	Khajuwala Bikane(Delivery)	4763	4784	5018	NR
	Nokha(Loose)	4600	4600	4900	13000
	Nokha (Delivery)	4765	4765	4972	13470
	Hanumangarh (Loose)	4600	4650	4900	13000
	Hanumangarh (Delivery)	4750	4825	5100	13500
Haryana	Adampur (Loose)	4600	4700	4870	13200
	Adampur (Delivery)	4800	4900	5000	13450
	Sirsa (Loose)	4600	4600	5000	14000
	Bhiwani (Delivery)	4650	4800	4900	12500
	Dhabwali (Loose)	4500	NR	4800	13500
	Dhabwali (Delivery)	4750	NR	4950	13800
	Siwani (Loose)	4700	4800	4950	NR
	Ellanabad (Loose)	4640	4730	4900	NR
Gujarat	Deesa (Loose)	4385	4545	4500	10850
	Patan (Loose)	4235	4305	4750	8500
	Rajkot (Loose)	4625	4425	5225	NR
Madhya pradesh	Dabra (Loose)	4200	3500	NA	14000
Guar Gum					
Rajasthan	Jodhpur	13150	13500	13600	37000
	Alwar	13000	14000	14000	37500
Haryana	Sirsa	12000	12800	13000	38000
	Bhiwani	13200	13650	14000	38000
	Dhabwali	13300	NR	14000	39000
	Ellanabad	13300	14000	14200	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		7th-13th Dec	30th Nov-6th Nov	
Rajasthan	Jodhpur	4700	29000	-24300
	Sri-Ganganagar	9500	26000	-16500
	Nagaur	3800	3050	750
	Alwar	8000	2900	5100
	Churu	12000	5000	7000
	Bikaner	11000	3700	7300
	Khajuwala Bikaner	9500	8700	800
	Nokha	1400	1000	400
	Hanumangarh	5900	4500	1400
Haryana	Adampur	21000	27000	-6000
	Sirsa	14200	17000	-2800
	Bhiwani	7100	4600	2500
	Dhabwali	2300	1500	800
	Siwani	14200	17500	-3300
	Ellanabad	6100	9400	-3300
Gujarat	Deesa	3565	5874	-2309
	Patan (Loose)	4856	4460	396
	Rajkot	5830	6895	-1065
Madhya pradesh	Dabra	2150	1850	300
Total Arrival/Above Markets		147101	179929	-32828

Commodity: Guar Seed
Contract: January

Exchange: NCDEX
Expiry: Jan 20, 2013

Guar Seed (Weekly january Contract Chart)



Technical Commentary:

- Guar prices are trying to breach the consolidation phase towards lower side.
- Last candlestick depicts bearishness.
- Prices are leading towards 100% retracement level.

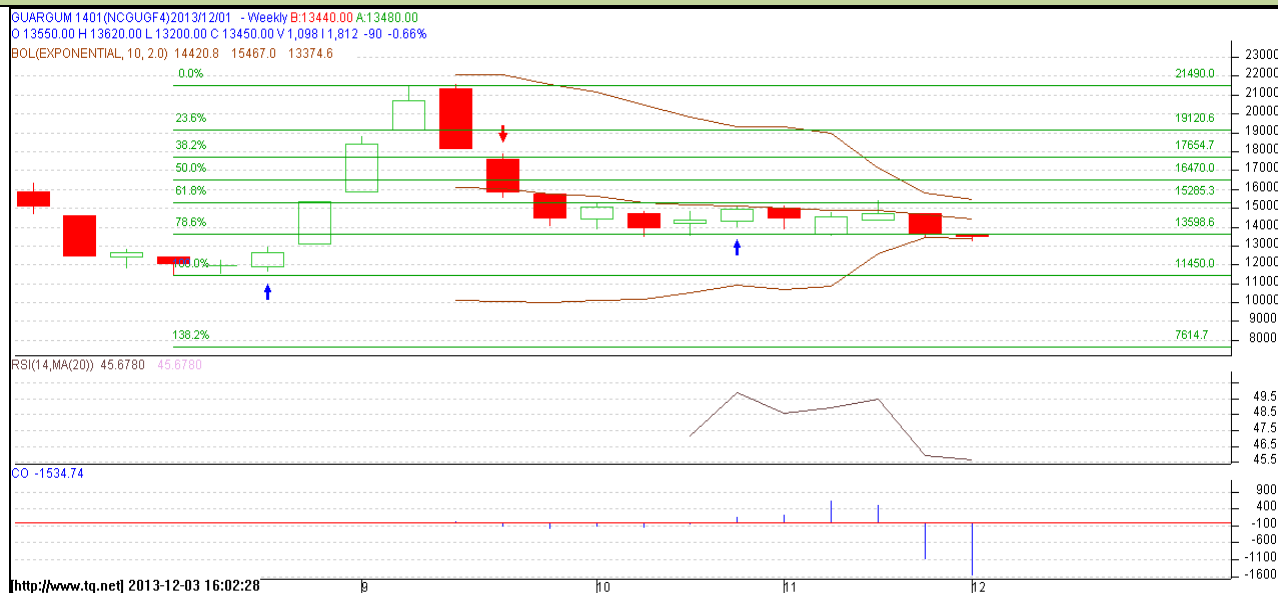
Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Jan	3970	4000	4755	5450	5890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan	Sell	Below 4500	4200	4050	4680

Commodity: Guar Gum
Contract: Jan

Exchange: NCDEX
Expiry: Jan 20, 2013

Guar Gum (Jan 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	Jan	7614	11450	13210	15290	16470
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	Sell	Below 13000	12200	11800	13500

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 support level i.e. 5000, breach of the mentioned level would take the prices down to Rs 3320 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. 10000, if breach 13500 level.

Prices are likely to move towards Rs.10000/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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