

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.
- India exported 12717 tons of guar products collectively including powder, splits and meal in the third week of December 2013. This takes the overall guar exports to 53000 tons approx. in this month till date.
- Reportedly, around 18 lac tons of guar seed has been crushed in 2012-13.
- 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.

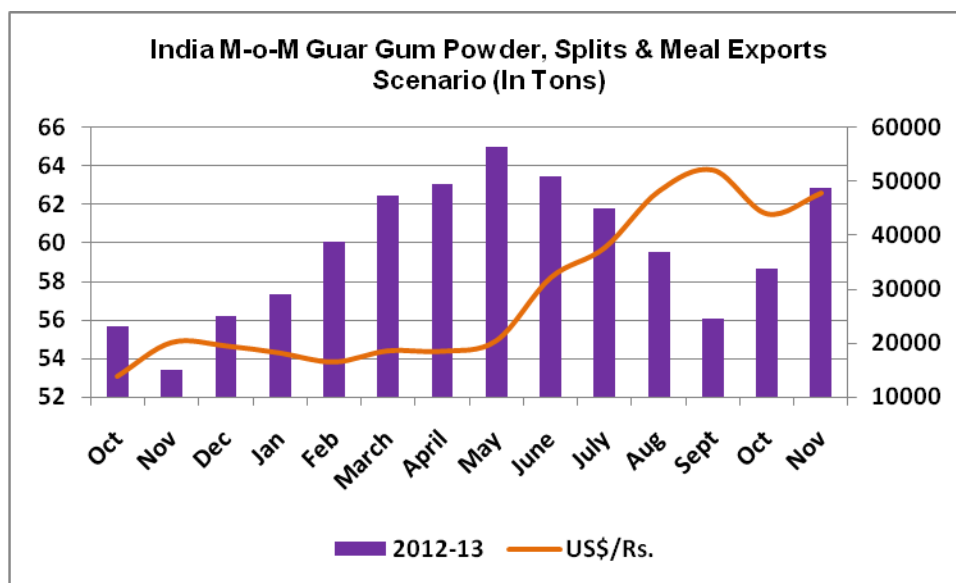
Export and Import Scenario

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 48713 tons of guar gum (Splits and powder) exported to various countries in November month 2013 as reported. It is notable that India has exported 48713 tons of guar gum (Splits and Powder) in October month 2013.

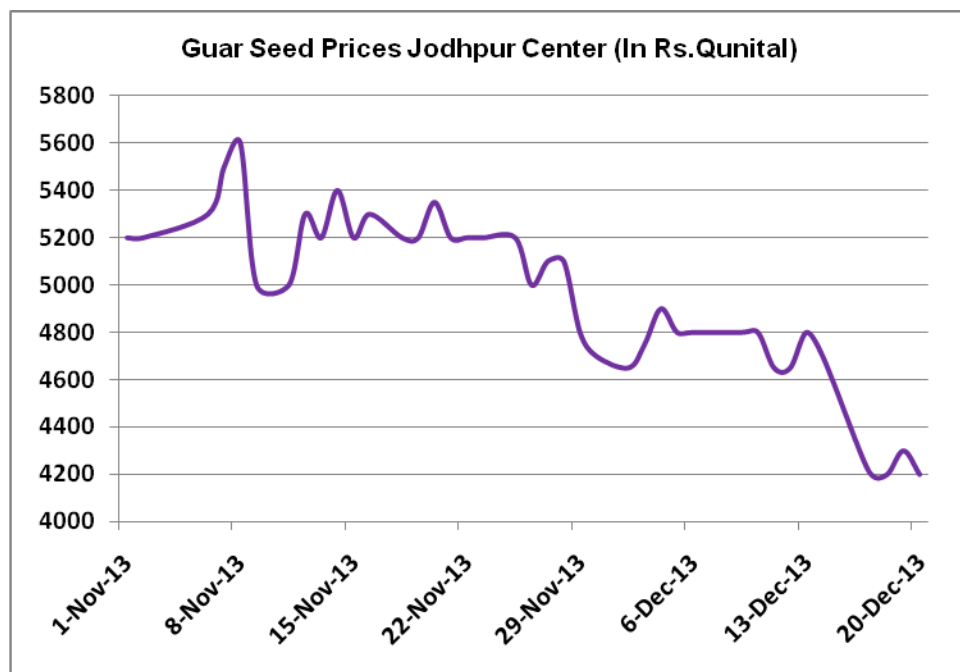
Demand Side of Guar and Guar Gum:

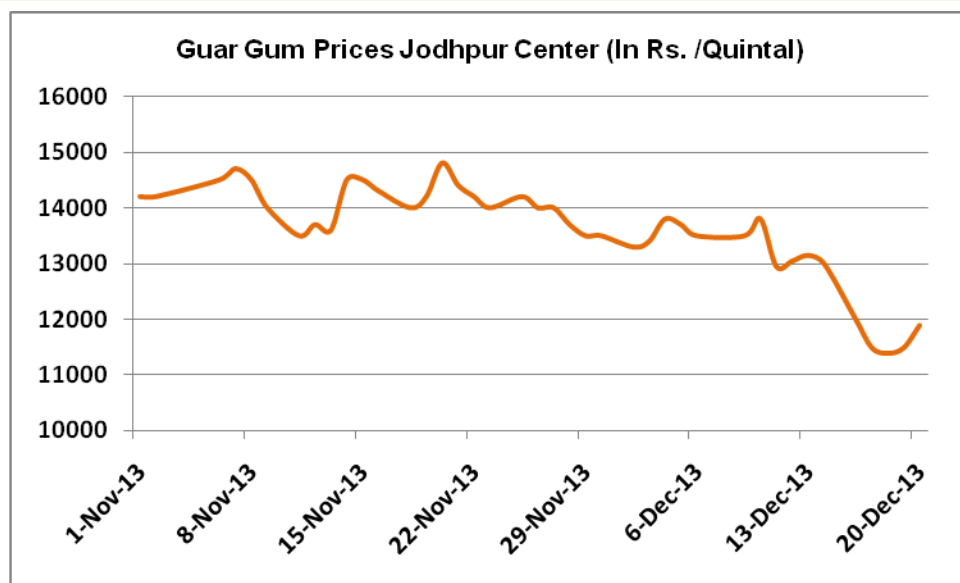
It is notable that guar prices are falling owing to weak domestic demand. Higher crop expectations of Summer crop led the prices downwards.



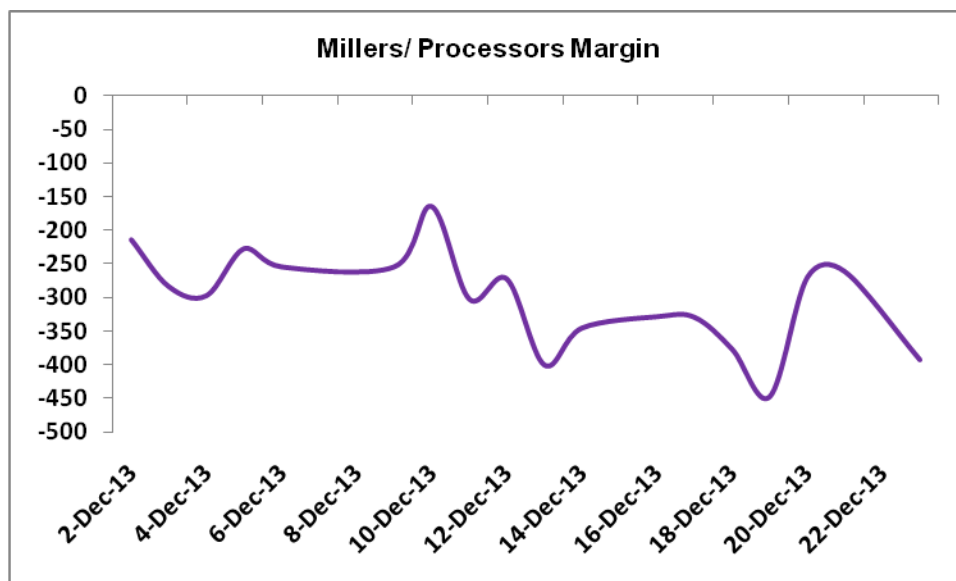
Price Scenario

Guar seed weekly average prices declined during the week. In the second week, the average price of guar seed declined by 9% to Rs.4325/Qtl compared to prior week. Also, guar gum prices declined last week by 11% to Rs.11883/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 third week of December 2013, average crush margin stood at Rs.-349.5 /Quintal which was -278 per quintal last week. Decrease in Churi and korma prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	14th-20th Dec	7th-13th Dec	Change
Churi	Jodhpur	808	910	-102
Korma	Jodhpur	1138	1225	-87
Churi	Sri-Ganganagar	792	820	-28
Korma	Sri-Ganganagar	1075	1210	-135
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	14th-20th Dec	7th-13th Dec	Change
Guargum Split		1958	2180	-222
Guargum Powder	200 Mesh 5000 CPS	2602	2830	-228
	200 Mesh 3500 CPS	2441	2667	-226
Guargum Meal	40%	240	256	-16
	50%	320	352	-32
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	14th-20th Dec	7th-13th Dec	
Rajasthan	Jodhpur (Loose)	3992	4490	-498
	Jodhpur(Delivery)	4325	4740	-415
	Sri-Ganganagar(Loose)	4325	4610	-285
	Sri-Ganganagar (Delivery)	4500	4740	-240
	Nagaur (Loose)	4067	4410	-343
	Alwar (loose)	3850	4300	-450
	Churu (Delivery)	4250	4660	-410
	Bikaner (Loose)	4121	4550	-429
	Bikaner (Delivery)	4325	4770	-445
	Khajuwala Bikaner (Loose)	4168	4540	-372
	Khajuwala Bikaner(Delivery)	4335	4742	-407
	Nokha(Loose)	4117	4513	-396
	Nokha (Delivery)	4275	4675	-401
	Hanumangarh (Loose)	4150	4575	-425
	Hanumangarh (Delivery)	4292	4781	-490
Haryana	Adampur (Loose)	4192	4590	-398

	Adampur (Delivery)	4383	4790	-407
	Sirsa (Loose)	4250	4600	-350
	Bhiwani (Delivery)	4192	4690	-498
	Dhabwali (Loose)	4192	4560	-368
	Dhabwali (Delivery)	4400	4790	-390
	Siwani (Loose)	4271	4725	-454
	Ellanabad (Loose)	4231	4638	-407
Gujarat	Deesa (Loose)	4293	4400	-107
	Patan (Loose)	4064	4342	-278
	Rajkot (Loose)	4466	4553	-87
Madhya pradesh	Dabra (Loose)	4033	4050	-17
	Guar Gum			
Rajasthan	Jodhpur	11883	13290	-1407
	Alwar	11917	13400	-1483
Haryana	Sirsa	11750	12000	-250
	Bhiwani	12083	13410	-1327
	Dhabwali	12050	13360	-1310
	Ellanabad	12100	13520	-1420

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	20-Dec-13	13-Dec-13	20-Nov-13	20-Dec-12
Rajasthan	Jodhpur (Loose)	4000	4550	5100	12200
	Jodhpur(Delivery)	4200	4800	5350	12600
	Sri-Ganganagar(Loose)	4200	4550	5100	12200
	Sri-Ganganagar (Delivery)	4400	4700	5300	12500
	Nagaur (Loose)	4300	4400	4800	12300
	Alwar (loose)	3800	4100	5000	12000
	Churu (Delivery)	4200	4400	5500	12500
	Bikaner (Loose)	4150	4550	5150	12100
	Bikaner (Delivery)	4400	4750	5350	12500
	Khajuwala Bikaner (Loose)	4250	4480	5100	NR
	Khajuwala Bikaner(Delivery)	4420	4763	5304	NR
	Nokha(Loose)	4200	4600	5100	12000
	Nokha (Delivery)	4351	4765	5283	12430
	Hanumangarh (Loose)	4250	4600	5080	12000
	Hanumangarh (Delivery)	4350	4750	5280	12400
Haryana	Adampur (Loose)	4300	4600	5050	12600
	Adampur (Delivery)	4500	4800	5250	12850

	Sirsa (Loose)	3800	4600	5400	12300
	Bhiwani (Delivery)	4250	4650	5100	12300
	Dhabwali (Loose)	4100	4500	5200	12500
	Dhabwali (Delivery)	4300	4750	5400	14000
	Siwani (Loose)	4300	4700	5100	NR
	Ellanabad (Loose)	4300	4640	5100	NR
Gujarat	Deesa (Loose)	4450	4385	5010	12500
	Patan (Loose)	4190	4235	5135	8200
	Rajkot (Loose)	4475	4625	5300	NR
Madhya pradesh	Dabra (Loose)	4000	4200	5200	14500
Guar Gum					
Rajasthan	Jodhpur	11900	13150	14800	37500
	Alwar	12000	13000	15000	37000
Haryana	Sirsa	11500	12000	14500	37000
	Bhiwani	12200	13200	14500	37250
	Dhabwali	11800	13300	15000	37500
	Ellanabad	11800	13300	14500	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		14th-20th Dec	7th-13th Dec	
Rajasthan	Jodhpur	1950	4700	-2750
	Sri-Ganganagar	17000	9500	7500
	Nagaur	2800	3800	-1000
	Alwar	6700	8000	-1300
	Churu	10600	12000	-1400
	Bikaner	13000	11000	2000
	Khajuwala Bikaner	21500	9500	12000
	Nokha	1600	1400	200
	Hanumangarh	7400	5900	1500
Haryana	Adampur	22500	21000	1500
	Sirsa	14500	14200	300
	Bhiwani	6100	7100	-1000
	Dhabwali	2700	2300	400
	Siwani	12000	14200	-2200
	Ellanabad	10500	6100	4400
Gujarat	Deesa	3306	3565	-259
	Patan (Loose)	5903	4856	1047
	Rajkot	6670	5830	840



Madhya pradesh	Dabra	3100	2150	950
Total Arrival		169829	147101	22728

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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Jan	3970	4000	4375	5450	5890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan	Buy	Above 4400	4700	4850	4220

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 bullishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Jan	7614	11450	11930	15290	16470
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	Buy	Above 12000	12600	12900	11640

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.

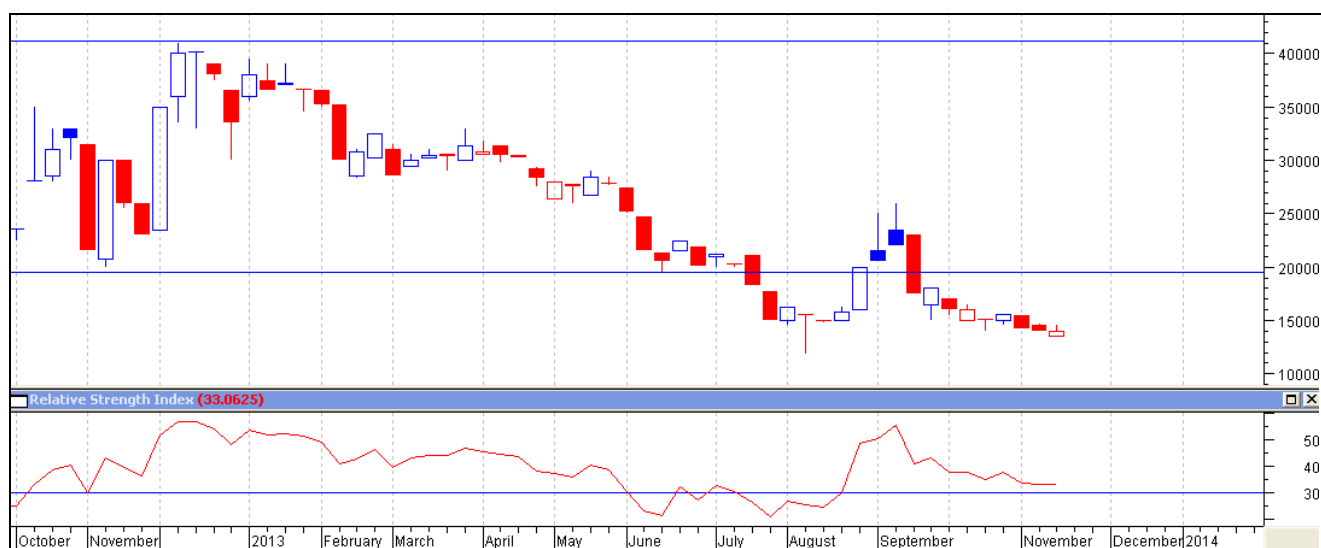


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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 continue its downward movement. We expect prices to take slight upward correction from present level considering lower arrivals in the markets due to fog conditions. Also, punters would try to pull the market upwards to offload the stocks build up at lower levels.

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