

Domestic Market Recap:

- Guar Seed prices are trading steady to weak during last week. Fewer buying of guar seed can be seen by millers due to no processing margin mainly due to decline in Churi and Korma prices. In addition to it, higher degree of decline in guar gum prices compared to guar seed prices in this existing month also take the margin to negative as reported. On export front, low volumes of guar gum exports also indicates that foreign buyers are still not interested in buying at current price levels. However, at the same point of time, guar seed arrivals decline during the week.
- Farmers don't able to reach to the markets due to fog conditions which also become the major factor for decline in guar seed arrivals in the markets.
- Agriwatch is estimating Rs. 4000 level for guar seed in spot markets in the coming days, However, if it breach the mentioned level then it have the potential to go down further to Rs 3300-3500 level.
- 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.
- Rupee appreciation against dollar last week decrease the overall export parity of guar seed as reported.

Current Market Dynamics

Guar prices are presently moving in a short trading range. Farmers are not able to bring their guar stocks in the markets due to Cold wave in Rajasthan and Haryana.

There is a gossip in the market that some stockists have started buying guar at current prices as they haven't able to find any other lucrative commodity at this point of time. It may push guar market slightly up.

However, overall sentiments remained bearish considering higher production, lower export scenario and last year higher carry over stocks of guar seed.

As far as arrivals are concerned, All India arrivals stood at 370000 bags during last week which was 485000 bags at prior week.

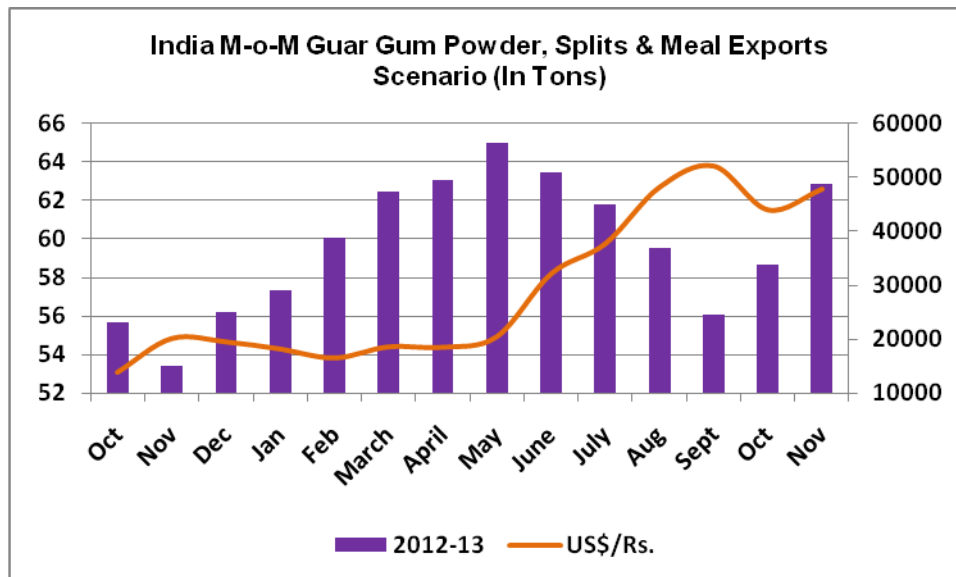
Export and Import Scenario

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 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.

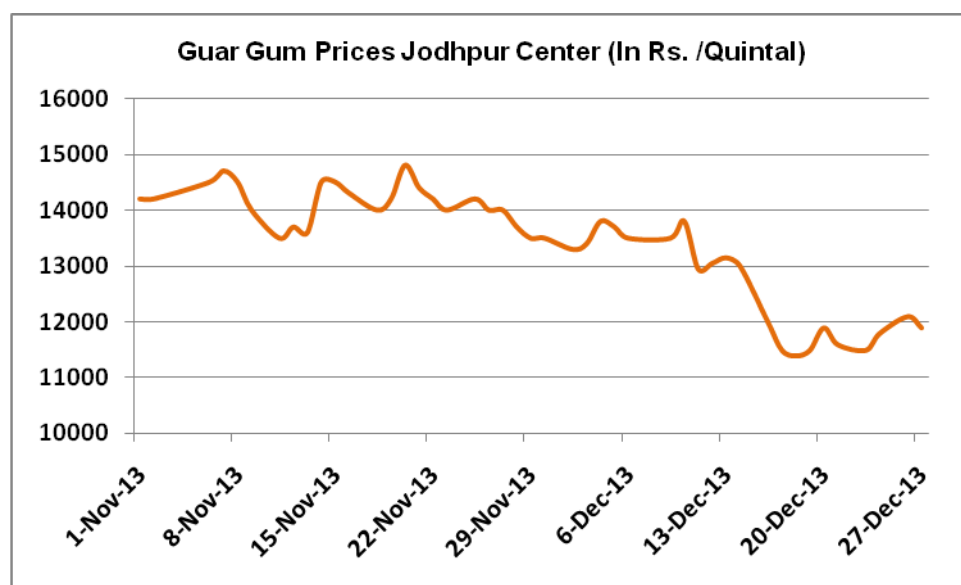
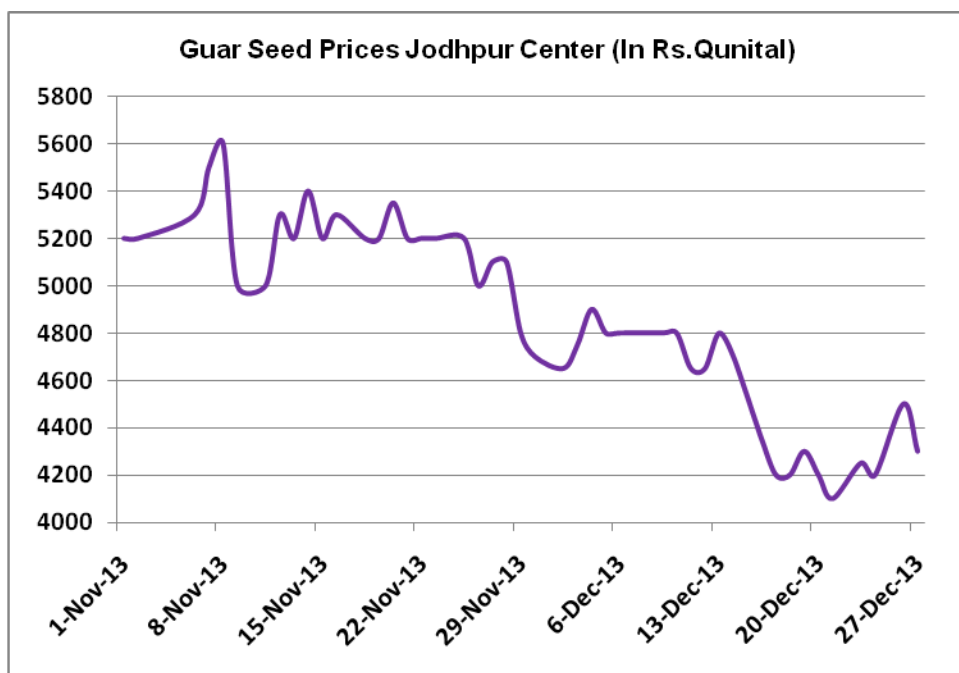
Demand Side of Guar and Guar Gum:

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

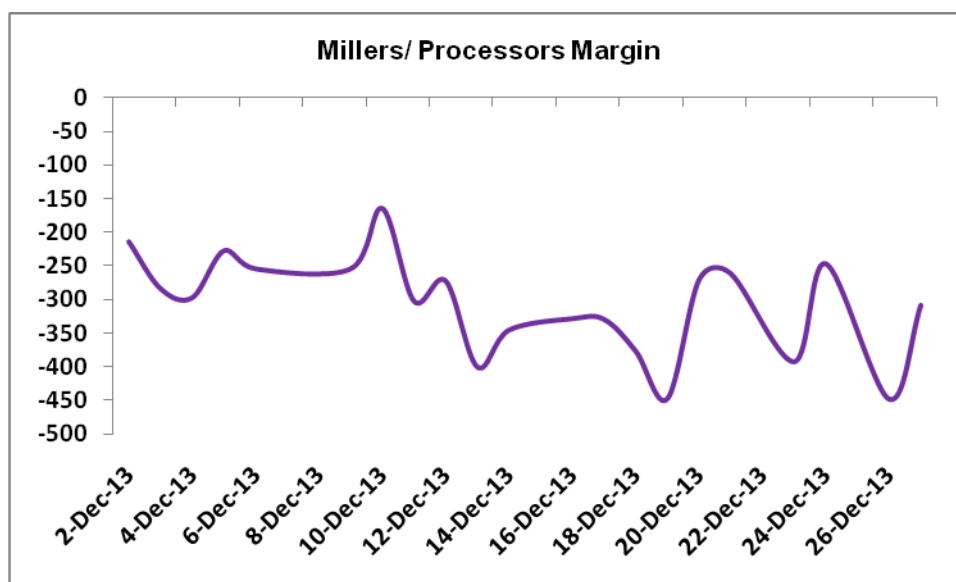


Price Scenario

Guar seed weekly average prices declined during the week. In the fourth week, the average price of guar seed declined by 1% to Rs.4270/Qtl compared to prior week. Also, guar gum prices declined last week by 0.9% to Rs.11780/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 fourth week of December 2013, average crush margin stood at Rs. -331.3/Quintal which was -349.5 per quintal last week. Increase in Churi and korma prices led the margin up this week.

Guar by – Products Weekly Average Prices:

| Commodity | Centre | 21th-27th Dec | 14th-20th Dec | Change |
|-------------------|----------------|---------------|---------------|--------|
| Churi | Jodhpur | 800 | 808 | -8 |
| Korma | Jodhpur | 1130 | 1138 | -8 |
| Churi | Sri-Ganganagar | 820 | 792 | 28 |
| Korma | Sri-Ganganagar | 1060 | 1075 | -15 |
| Prices in Rs/75kg | | | | |

Guar Export Weekly Average Prices:

| Commodity | Variety | 21th-27th Dec | 14th-20th Dec | Change |
|----------------|-------------------|---------------|---------------|--------|
| Guargum Split | | 1936 | 1958 | -22 |
| Guargum Powder | 200 Mesh 5000 CPS | 2582 | 2602 | -20 |
| | 200 Mesh 3500 CPS | 2420 | 2441 | -21 |

| | | | | |
|-----------------|-----|-----|-----|----|
| Guargum Meal | 40% | 256 | 240 | 16 |
| | 50% | 328 | 320 | 8 |
| Prices in \$/MT | | | | |

| Commodity | Centre | Weekly Prices (Average) | | Change |
|----------------|-----------------------------|-------------------------|---------------|--------|
| | | 21th-27th Dec | 14th-20th Dec | |
| Rajasthan | Jodhpur (Loose) | 4032 | 3992 | 40 |
| | Jodhpur(Delivery) | 4270 | 4325 | -55 |
| | Sri-Ganganagar(Loose) | 4210 | 4325 | -115 |
| | Sri-Ganganagar (Delivery) | 4345 | 4500 | -155 |
| | Nagaur (Loose) | 4049 | 4067 | -18 |
| | Alwar (loose) | 3950 | 3850 | 100 |
| | Churu (Delivery) | 4260 | 4250 | 10 |
| | Bikaner (Loose) | 4172 | 4121 | 51 |
| | Bikaner (Delivery) | 4360 | 4325 | 35 |
| | Khajuwala Bikaner (Loose) | 4200 | 4168 | 32 |
| | Khajuwala Bikaner(Delivery) | 4368 | 4335 | 33 |
| | Nokha(Loose) | 4180 | 4117 | 63 |
| | Nokha (Delivery) | 4327 | 4275 | 53 |
| | Hanumangarh (Loose) | 4300 | 4150 | 150 |
| | Hanumangarh (Delivery) | 4390 | 4292 | 98 |
| Haryana | Adampur (Loose) | 4260 | 4192 | 68 |
| | Adampur (Delivery) | 4490 | 4383 | 107 |
| | Sirsa (Loose) | 4110 | 4250 | -140 |
| | Bhiwani (Delivery) | 4220 | 4192 | 28 |
| | Dhabwali (Loose) | 4240 | 4192 | 48 |
| | Dhabwali (Delivery) | 4440 | 4400 | 40 |
| | Siwani (Loose) | 4340 | 4271 | 69 |
| | Ellanabad (Loose) | 4320 | 4231 | 89 |
| Gujarat | Deesa (Loose) | 4132 | 4293 | -161 |
| | Patan (Loose) | 4076 | 4064 | 12 |
| | Rajkot (Loose) | 4306 | 4466 | -160 |
| Madhya pradesh | Dabra (Loose) | 3800 | 4033 | -233 |
| Guar Gum | | | | |
| Rajasthan | Jodhpur | 11780 | 11883 | -103 |
| | Alwar | 12400 | 11917 | 483 |
| Haryana | Sirsa | 11400 | 11750 | -350 |
| | Bhiwani | 12300 | 12083 | 217 |

| | | | | |
|--|-----------|-------|-------|------|
| | Dhabwali | 11840 | 12050 | -210 |
| | Ellanabad | 12000 | 12100 | -100 |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | |
|---|-----------------------------|-----------|-----------|-----------|-----------|
| Commodity | Centre | Today | Week ago | Month ago | Year ago |
| | Guar Seeds | 27-Dec-13 | 20-Dec-13 | 27-Nov-13 | 27-Dec-12 |
| Rajasthan | Jodhpur (Loose) | 4100 | 4000 | 4800 | 10000 |
| | Jodhpur(Delivery) | 4300 | 4200 | 5100 | 10300 |
| | Sri-Ganganagar(Loose) | 4200 | 4200 | 4750 | 10200 |
| | Sri-Ganganagar (Delivery) | 4350 | 4400 | 5000 | 10500 |
| | Nagaur (Loose) | 4020 | 4300 | 4500 | 9500 |
| | Alwar (loose) | 4100 | 3800 | 4500 | 9500 |
| | Churu (Delivery) | 4400 | 4200 | 5000 | 10000 |
| | Bikaner (Loose) | 4210 | 4150 | NR | 10200 |
| | Bikaner (Delivery) | 4400 | 4400 | NR | 10300 |
| | Khajuwala Bikaner (Loose) | 4300 | 4250 | 4650 | NR |
| | Khajuwala Bikaner(Delivery) | 4472 | 4420 | 4836 | NR |
| | Nokha(Loose) | 4200 | 4200 | 4650 | 10000 |
| | Nokha (Delivery) | 4350 | 4351 | 4817 | 10360 |
| | Hanumangarh (Loose) | 4350 | 4250 | 4700 | 9600 |
| | Hanumangarh (Delivery) | 4425 | 4350 | 4900 | 10000 |
| Haryana | Adampur (Loose) | 4350 | 4300 | 4800 | 10500 |
| | Adampur (Delivery) | 4550 | 4500 | 5000 | 10750 |
| | Sirsa (Loose) | 4350 | 3800 | 4900 | 11000 |
| | Bhiwani (Delivery) | 4300 | 4250 | 4900 | 10500 |
| | Dhabwali (Loose) | 4300 | 4100 | 4750 | 10300 |
| | Dhabwali (Delivery) | 4500 | 4300 | 4900 | 10500 |
| | Siwani (Loose) | 4400 | 4300 | 4850 | NR |
| | Ellanabad (Loose) | 4400 | 4300 | 4750 | NR |
| Gujarat | Deesa (Loose) | 4155 | 4450 | 4755 | 10355 |
| | Patan (Loose) | 4065 | 4190 | 3750 | 9990 |
| | Rajkot (Loose) | 4255 | 4475 | 5150 | NR |
| Madhya pradesh | Dabra (Loose) | 4000 | 4000 | NR | 11500 |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | 11900 | 11900 | 14000 | 30000 |
| | Alwar | 13000 | 12000 | 14000 | 31000 |
| Haryana | Sirsa | 12000 | 11500 | 13500 | 36000 |
| | Bhiwani | 12700 | 12200 | 13800 | 32500 |

| | | | | | |
|--|-----------|-------|-------|-------|-------|
| | Dhabwali | 12000 | 11800 | 14200 | 31000 |
| | Ellanabad | 12300 | 11800 | 14000 | NR |

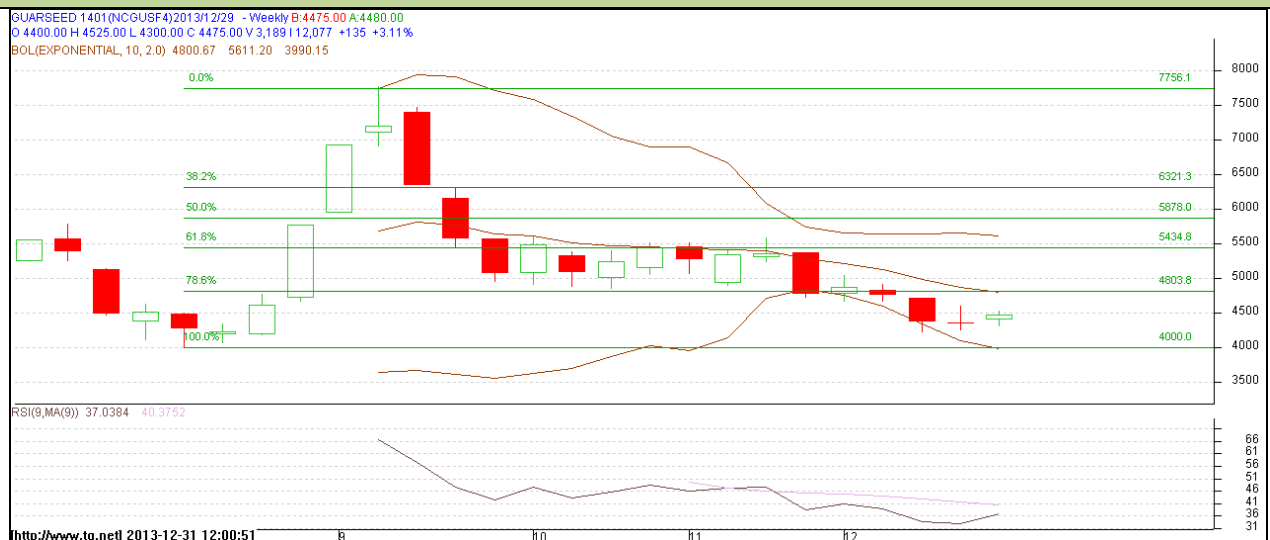
Guar Cumulative Arrivals in Key Centers

| Centre | Weekly Arrivals (Quintals) | | | Change |
|-----------------------------|----------------------------|---------------|---------------|--------|
| | | 21th-27th Dec | 14th-20th Dec | |
| Rajasthan | Jodhpur | 1050 | 1950 | -900 |
| | Sri-Ganganagar | 8500 | 17000 | -8500 |
| | Nagaur | 1800 | 2800 | -1000 |
| | Alwar | 9700 | 6700 | 3000 |
| | Churu | 6400 | 10600 | -4200 |
| | Bikaner | 8000 | 13000 | -5000 |
| | Khajuwala Bikaner | 9800 | 21500 | -11700 |
| | Nokha | 1800 | 1600 | 200 |
| | Hanumangarh | 1550 | 7400 | -5850 |
| Haryana | Adampur | 12500 | 22500 | -10000 |
| | Sirsa | 8200 | 14500 | -6300 |
| | Bhiwani | 2500 | 6100 | -3600 |
| | Dhabwali | 1850 | 2700 | -850 |
| | Siwani | 10000 | 12000 | -2000 |
| | Ellanabad | 5500 | 10500 | -5000 |
| Gujarat | Deesa | 2921 | 3306 | -385 |
| | Patan (Loose) | 4486 | 5903 | -1417 |
| | Rajkot | 5600 | 6670 | -1070 |
| Madhya pradesh | Dabra | 3000 | 3100 | -100 |
| Total Arrival/Above Markets | | 105157 | 169829 | -64672 |

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.

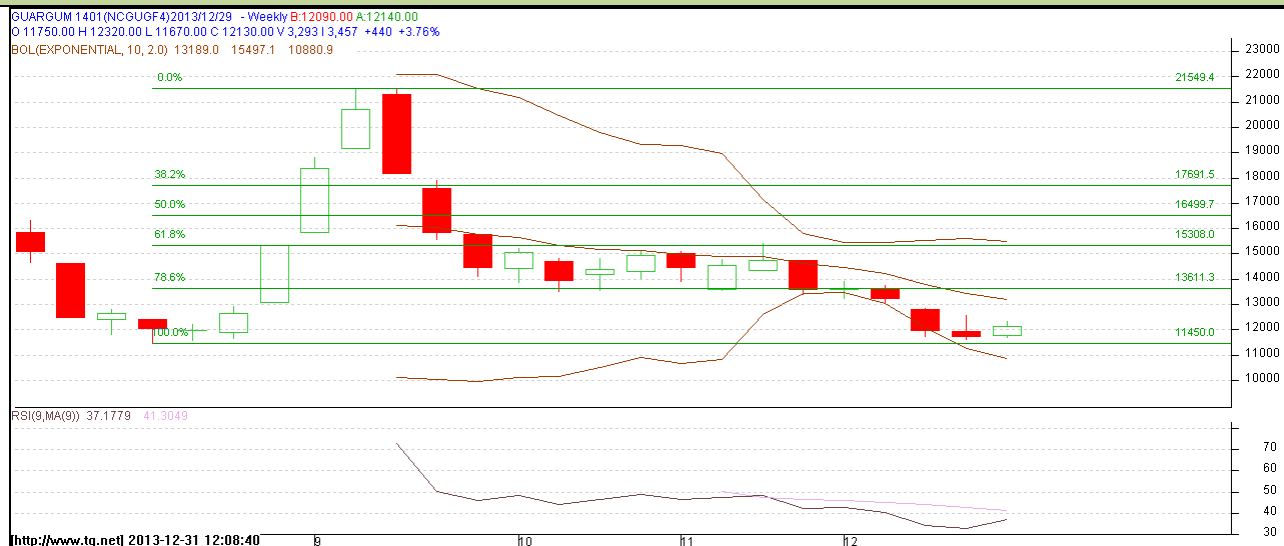
Strategy: Sell

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|-----|-------------|------------|------|------|------|
| Guar Seed | NCDEX | Jan | 3970 | 4000 | 4340 | 5450 | 5890 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | Jan | Sell | Below 4700 | 4500 | 4400 | 4820 |

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 | 11690 | 15290 | 16470 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | Jan | Buy | Above 11800 | 12600 | 13000 | 11320 |

Spot Market Technical Analysis of Guar seed & Guar gum



Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

Guar seed prices are moving in a range with weak tone. However, prices might rebound from current level and likely to test its next resistance level i.e. Rs. 5000 supported by very short term fundamentals.



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

Prices of guar gum moved in a range with weak tone during last week. However, spot prices of guar gum should improve technically and likely to test its next resistance level Rs. 13600.

Prices are likely to move towards Rs.13600/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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