

Highlights of the Month:

- Guar seed prices improved last month due to lower arrivals compared to prior month. Adverse weather conditions restrict the farmers to bring their produce in the markets.
- Weak export scenario of guar gum would restrict any rally in guar seed prices in the long run. Prices of guar seed should move down further in the coming months considering higher guar production and carry over stocks.
- Farmers are now getting hope with recent increase in prices of guar and now expecting again Rs.10000-12000 per quintal which decreases the arrivals in the markets.
- Markets experts are of the view, firmness in guar future market is unnatural and some big players are trying to push market up so that they can release their stock at higher levels. It indicates that market is likely to decrease in coming weeks.
- 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 has exported 48713 tons of guar gum powder, splits and meal in November 2013 as reported. Present year guar exports figures are 33700 tons higher compared to guar exported in November 2012. November month guar exports are also 44% higher compared to Guar exported in October 2013. Main reason for increase in guar gum exports are weak rupee scenario in the month of November compared to October. In addition to it, prices of guar gum continuously breaking which increase the export parity.
- Market is estimating 2.8-3 million tons of guar production for 2013-14.

Current Market Dynamics:

Guar prices are presently moving in a short trading range.

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

India is likely to produce 2.8 to 3 crore bags of guar seed for the current year.

As far as arrivals are concerned, All India arrivals stood at 18.80 lac bags during last month which was around 39 lac bags at prior month.

Export and Import Scenario

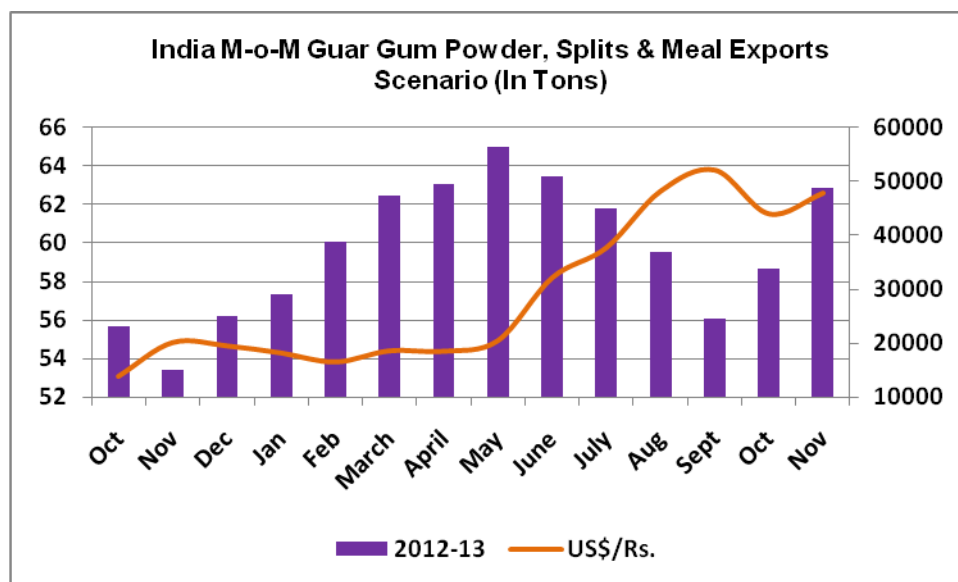
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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.

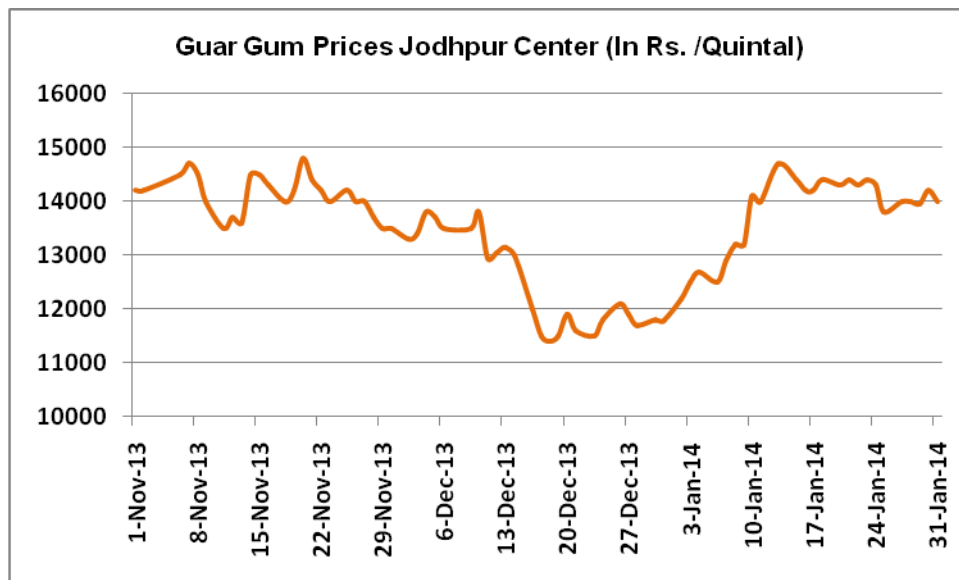
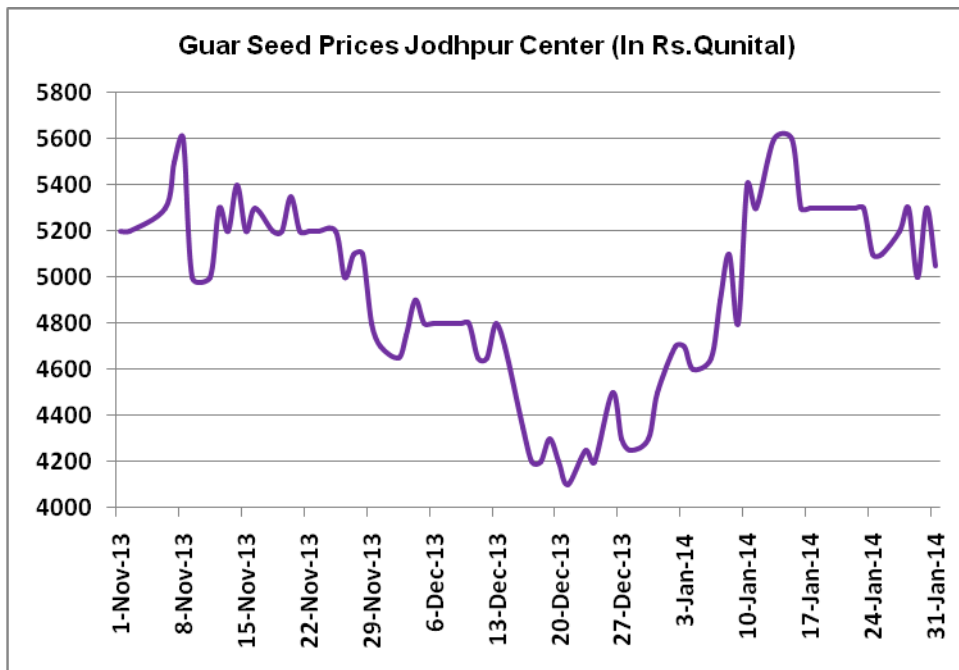
Demand Side of Guar and Guar Gum:

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

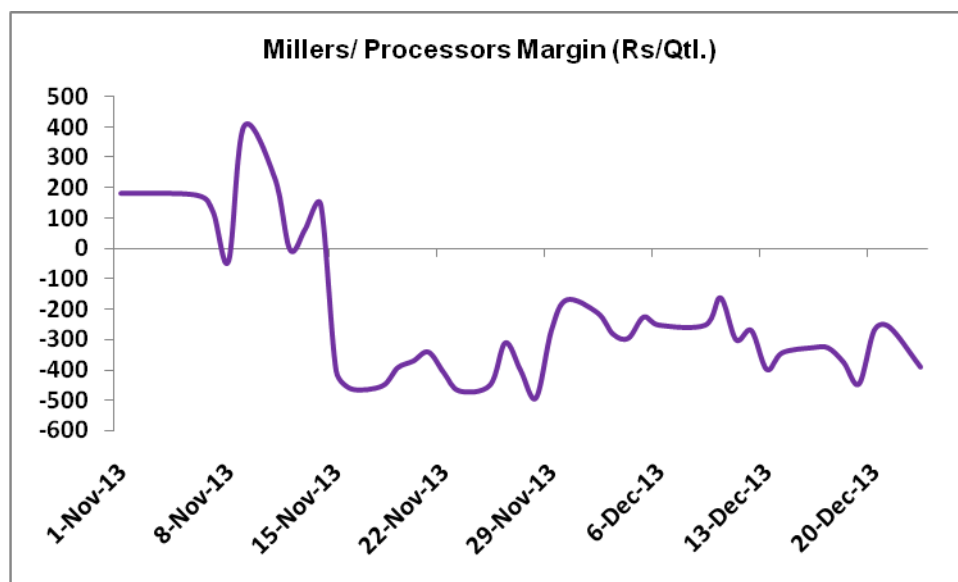


Price Scenario

Monthly average Guar seed and gum prices improved month-on-month basis in Jodhpur market. The average monthly price of guar seed for January rose by 12% to Rs.5048 /Qtl and that of guar gum improved by 7% to Rs.13548/Qtl in comparison with the month of December. The graph below illustrates the monthly 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 month. In the month of January 2013, average crush margin stood at Rs. -300/Quintal which was -156 per quintal last month. Decrease in Churi and korma prices led the margin down.

Guar by – Products Weekly Average Prices:

Commodity	Centre	25 th -31 th Jan14	18 th -24 th Jan14	Change
Churi	Jodhpur	918	925	-7
Korma	Jodhpur	1308	1300	8
Churi	Sri-Ganganagar	913	921	-8
Korma	Sri-Ganganagar	1279	1267	12
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	25 th -31 th Jan14	18 th -24 th Jan14	Change
Guargum Split		2315	2346	-31
Guargum Powder	200 Mesh 5000 CPS	2914	2993	-79
	200 Mesh 3500 CPS	2754	2832	-78
Guargum Meal	40%	303	290	13
	50%	363	353	10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
Guar Seed		25 th -31 th Jan14	18 th -24 th Jan14	
Rajasthan	Jodhpur (Loose)	4942	5054	-112
	Jodhpur(Delivery)	5158	5267	-109
	Sri-Ganganagar(Loose)	4926	4975	-49
	Sri-Ganganagar (Delivery)	5100	5145	-45
	Nagaur (Loose)	4783	5017	-234
	Alwar (loose)	4667	4792	-125
	Churu (Delivery)	5133	5217	-84
	Bikaner (Loose)	4905	5046	-141
	Bikaner (Delivery)	5100	5267	-167
	Khajuwala Bikaner (Loose)	4904	5070	-166
	Khajuwala Bikaner(Delivery)	5100	5276	-176
	Nokha(Loose)	4896	4992	-96
	Nokha (Delivery)	5072	5157	-85
	Hanumangarh (Loose)	4872	5000	-128
	Hanumangarh (Delivery)	4930	5058	-128
Haryana	Adampur (Loose)	4933	5058	-125
	Adampur (Delivery)	5133	5258	-125
	Sirsa (Loose)	5025	5150	-125
	Bhiwani (Delivery)	5008	5217	-209
	Dhabwali (Loose)	4960	5167	-207
	Dhabwali (Delivery)	5160	5333	-173
	Siwani (Loose)	5029	5155	-126
	Ellanabad (Loose)	4925	5094	-169
Gujarat	Deesa (Loose)	4677	4893	-216
	Patan (Loose)	4643	4750	-107
	Rajkot (Loose)	4803	4726	77
Madhya pradesh	Dabra (Loose)	5033	4750	283
Guar Gum				
Rajasthan	Jodhpur	13992	14350	-358
	Alwar	13950	14400	-450
Haryana	Sirsa	13450	13700	-250
	Bhiwani	13667	14450	-783
	Dhabwali	14140	14533	-393
	Ellanabad	14200	14467	-267

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	31-Jan-14	24-Jan-14	31-Dec-13	31-Jan-13
Rajasthan	Jodhpur (Loose)	4850	4800	4350	11500
	Jodhpur(Delivery)	5050	5100	4500	12200
	Sri-Ganganagar(Loose)	4850	4850	4250	11000
	Sri-Ganganagar (Delivery)	5000	5000	4350	11400
	Nagaur (Loose)	4700	4850	4100	11100
	Alwar (loose)	4550	4600	4000	10500
	Churu (Delivery)	5100	5100	4500	11000
	Bikaner (Loose)	4850	4925	4400	11000
	Bikaner (Delivery)	5050	5125	4550	11400
	Khajuwala Bikaner (Loose)	4850	5050	4280	NR
	Khajuwala Bikaner(Delivery)	5044	5252	4451	NR
	Nokha(Loose)	4925	4850	4100	11000
	Nokha (Delivery)	5102	5024	4247	11400
	Hanumangarh (Loose)	4860	4850	4325	10800
	Hanumangarh (Delivery)	4950	4900	4400	11300
Haryana	Adampur (Loose)	4900	4950	4300	11300
	Adampur (Delivery)	5100	5150	4500	11550
	Sirsa (Loose)	5000	5000	4350	11300
	Bhiwani (Delivery)	5050	5050	4500	11300
	Dhabwali (Loose)	4800	NR	4300	11200
	Dhabwali (Delivery)	5000	NR	4500	11800
	Siwani (Loose)	5000	5025	4350	NR
	Ellanabad (Loose)	4900	4950	4300	NR
Gujarat	Deesa (Loose)	4750	4715	4250	11400
	Patan (Loose)	4595	4600	4045	10905
	Rajkot (Loose)	4730	4795	4225	10755
Madhya pradesh	Dabra (Loose)	5000	5200	3800	10400
Guar Gum					
Rajasthan	Jodhpur	14000	14300	11800	35000
	Alwar	14000	14000	12000	35000
Haryana	Sirsa	13200	13500	12000	35200
	Bhiwani	13800	13900	12200	35200
	Dhabwali	14100	NR	12000	35000



	Ellanabad	14200	14100	11800	NR
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Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		25 th -31 th Jan14	18 th -24 th Jan14	
Rajasthan	Jodhpur	20000	65000	-45000
	Sri-Ganganagar	24000	19000	5000
	Nagaur	2000	1700	300
	Alwar	10000	7400	2600
	Churu	9200	10000	-800
	Bikaner	6700	8800	-2100
	Khajuwala Bikaner	8900	13500	-4600
	Nokha	3300	3500	-200
	Hanumangarh	3300	2400	900
Haryana	Adampur	30500	20500	10000
	Sirsa	12000	12500	-500
	Bhiwani	2700	4500	-1800
	Dhabwali	2200	1850	350
	Siwani	9000	7700	1300
	Ellanabad	11200	7200	4000
Gujarat	Deesa	4399	3218	1181
	Patan (Loose)	2771	2573	198
	Rajkot	3060	6327	-3267
Madhya pradesh	Dabra	3400	1800	1600
Total Arrival		168630	199468	-30838

Spot Market Monthly Price Trend of Guar seed at Jodhpur

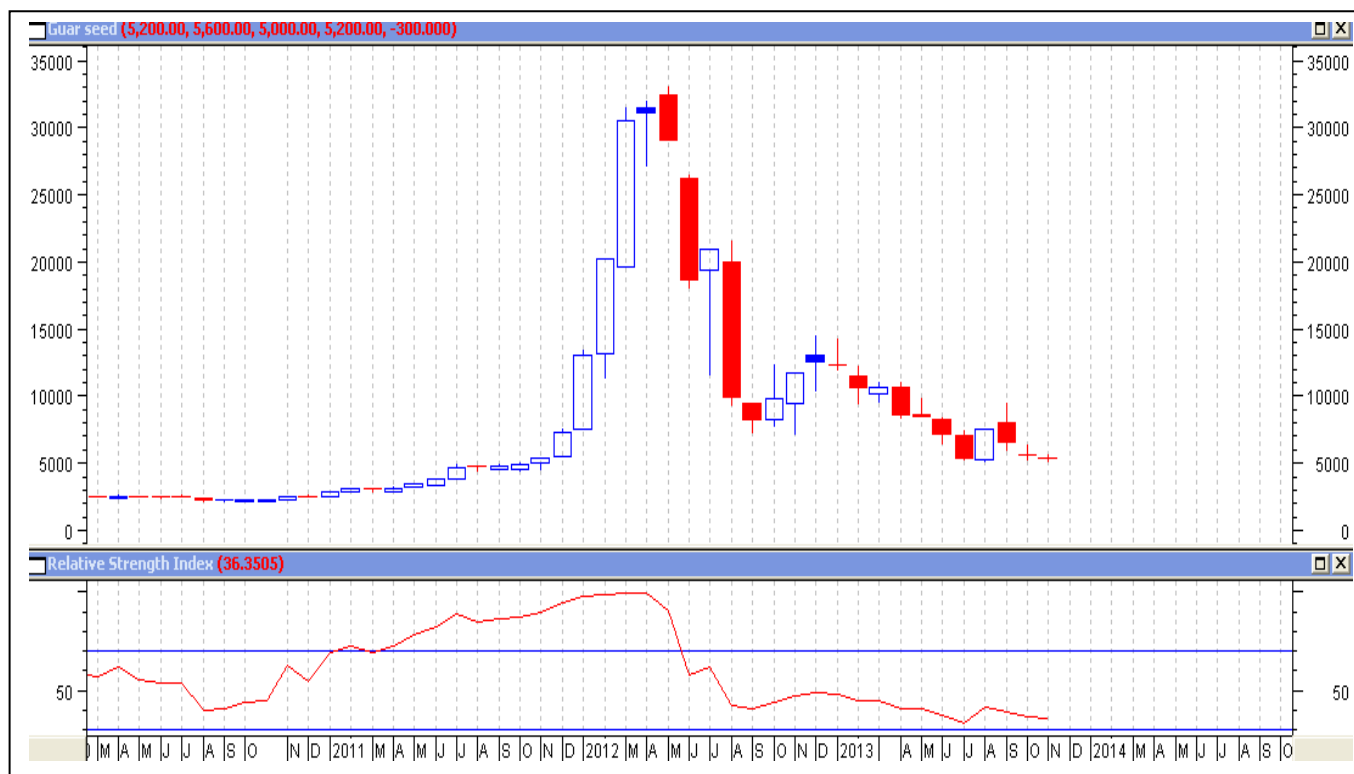


Fig-1 – Guar Seed Monthly Spot Prices (Jodhpur)

Guar seed prices are moving in a range with weak tone as chart depicts. However, last candlestick depicts prices not sustained at higher levels and likely to come down in the coming month and test its next support level i.e. Rs 4400 per quintal.

Prices are likely to continue to trade weak in the coming month.

Spot Market Monthly Price Trend of Guar Gum at Jodhpur



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

Guar gum prices are moving in downward channel as chart depicts. Prices break crucial level and likely to test its next support level i.e. Rs 11800 per quintal. Last candlestick depicts bearishness which also supports the statement.

Prices are likely to move towards Rs.11800/Qtl levels in the medium –term.

Spot Market Outlook:

Guar seed and gum prices are moving in a negative zone and likely to continue its bear run in the coming month. However, lower arrivals and some activities from stockists might pull the prices up little bit. Overall sentiments looks bearish as export demand also not picking up.

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