

Highlights of the Month:

- Guar seed prices declined last month despite of lower arrivals compared to last month.
- Guar Prices are moving in a range to weak tone in last couple of weeks considering sluggish demand. Meanwhile, stockists try to pull the market down in Future platform which shows their intend to build the guar stocks at lower levels.
- There is an increase in possibility of higher release of guar stock because of emerging opportunity in Chana and Mustard seed in the coming months, so stockists are expected to release guar stock first which likely to depress the guar prices in the coming period.
- Despite of higher guar stocks in the market, prices of guar remained stable due to stockists buying at lower levels as reported.
- It is notable that Ruchi soy and Hindustan Guar gum is most active in procuring guar stocks at present from various mandis. Any export enquiry from China or US would give the guar (seed, gum and split) prices support.
- 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.

Export and Import Scenario

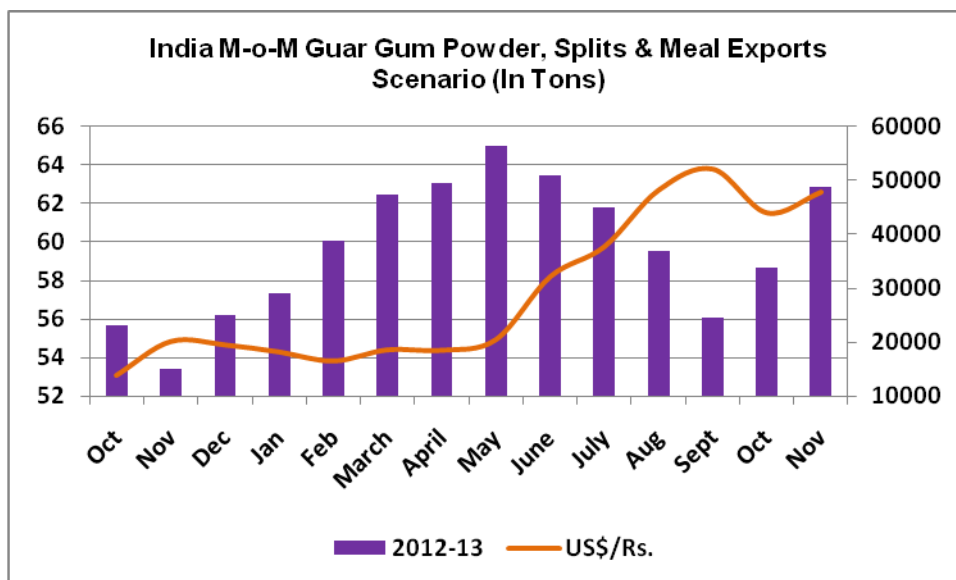
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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.

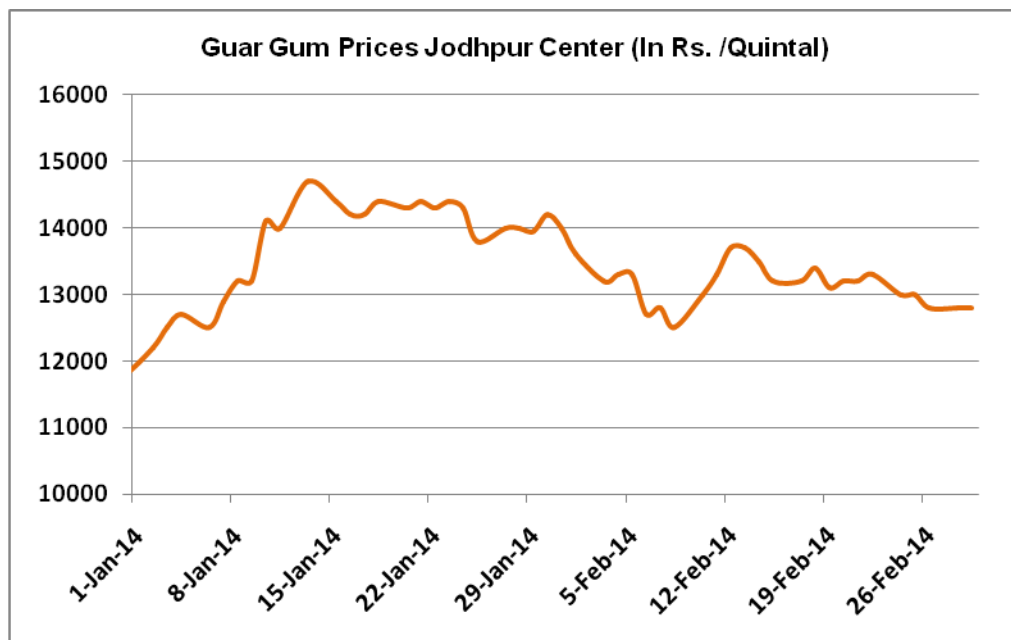
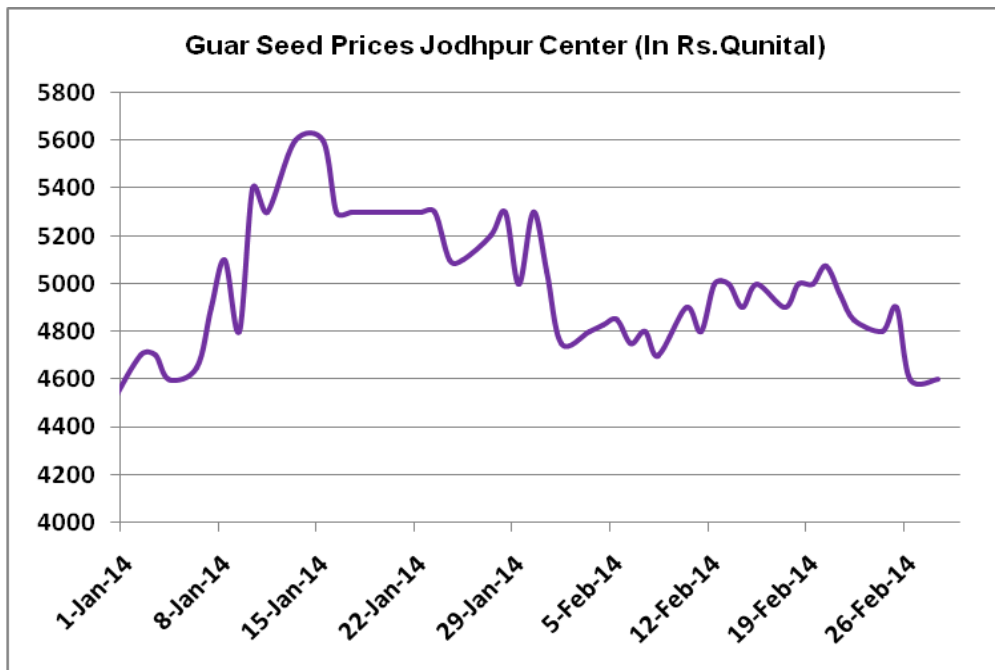
Demand Side of Guar and Guar Gum:

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

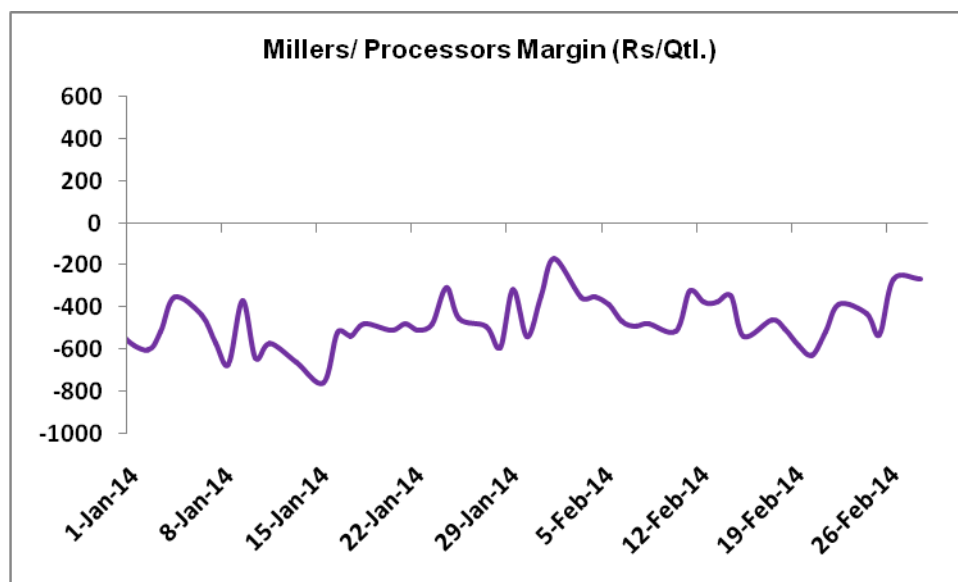


Price Scenario

Monthly average Guar seed and gum prices improved month-on-month basis in Jodhpur market. The average monthly price of guar seed for February declined by 4% to Rs 4854 /Qtl and that of guar gum declined by 3% to Rs.13548/Qtl in comparison with the month of February. 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 February 2014, average crush margin stood at Rs. -420/Quintal which was -300 per quintal last month. Decrease in korma prices led the margin down.

Guar By – Products Monthly Average Prices:

Commodity	Centre	February-14	January-14	Change
Churi	Jodhpur	902	910	-8
Korma	Jodhpur	1270	1290	-20
Churi	Sri-Ganganagar	861	891	-30
Korma	Sri-Ganganagar	1234	1235	-1
Prices in Rs/75kg				

Guar Export Monthly Average Prices:

Commodity	Variety	February-14	January-14	Change
Guargum Split		2149	2236	-87
Guargum Powder	200 Mesh 5000 CPS	2788	2892	-104
	200 Mesh 3500 CPS	2627	2731	-104
Guargum Meal	40%	283	278	5
	50%	373	348	25
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)	Change
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	Guar Seeds	February-14	January-14	
Rajasthan	Jodhpur (Loose)	4676	4929	-253
	Jodhpur(Delivery)	4859	5140	-281
	Sri-Ganganagar(Loose)	4550	4936	-386
	Sri-Ganganagar (Delivery)	4805	5091	-286
	Nagaur (Loose)	4570	4815	-245
	Alwar (loose)	4380	4617	-237
	Churu (Delivery)	4904	5010	-106
	Bikaner (Loose)	4675	4941	-266
	Bikaner (Delivery)	4861	5130	-269
	Khajuwala Bikaner (Loose)	4622	4942	-320
	Khajuwala Bikaner(Delivery)	4641	5140	-499
	Nokha(Loose)	4624	4844	-220
	Nokha (Delivery)	4791	5020	-229
	Hanumangarh (Loose)	4645	4968	-323
	Hanumangarh (Delivery)	4775	5039	-264
Haryana	Adampur (Loose)	4677	4974	-297
	Adampur (Delivery)	4882	5169	-287
	Sirsa (Loose)	4810	4994	-184
	Bhiwani (Delivery)	4738	5013	-275
	Dhabwali (Loose)	4609	4930	-321
	Dhabwali (Delivery)	4790	5071	-281
	Siwani (Loose)	4760	5012	-252
	Ellanabad (Loose)	4666	5001	-335
Gujarat	Deesa (Loose)	4477	4626	-149
	Patan (Loose)	4435	4602	-167
	Rajkot (Loose)	4516	4634	-118
Madhya pradesh	Dabra (Loose)	4290	4456	-166
Guar Gum				
Rajasthan	Jodhpur	13165	13794	-629
	Alwar	13383	13781	-398
Haryana	Sirsa	12927	13262	-335
	Bhiwani	13172	13860	-688
	Dhabwali	13297	13818	-521
	Ellanabad	13322	13969	-647

Guar Cumulative Arrivals in Key Centers

Centre	Monthly Arrivals (Quintals)			Change
		February-14	January-14	
Rajasthan	Jodhpur	20250	169700	-149450
	Sri-Ganganagar	51500	66700	-15200
	Nagaur	4650	7360	-2710
	Alwar	24000	53900	-29900
	Churu	11300	36100	-24800
	Bikaner	37900	32000	5900
	Khajuwala Bikaner	23200	48300	-25100
	Nokha	8700	12900	-4200
	Hanumangarh	15360	10475	4885
Haryana	Adampur	93000	118500	-25500
	Sirsa	45200	45700	-500
	Bhiwani	18470	18000	470
	Dhabwali	7600	8300	-700
	Siwani	36000	40200	-4200
	Ellanabad	26900	32500	-5600
Gujarat	Deesa	11042	15427	-4385
	Patan (Loose)	6074	11721	-5647
	Rajkot	15745	24027	-8282
Madhya pradesh	Dabra	20400	9410	10990
Total Arrival		477291	761220	-283929

Spot Market Monthly Price Trend of Guar seed at Jodhpur

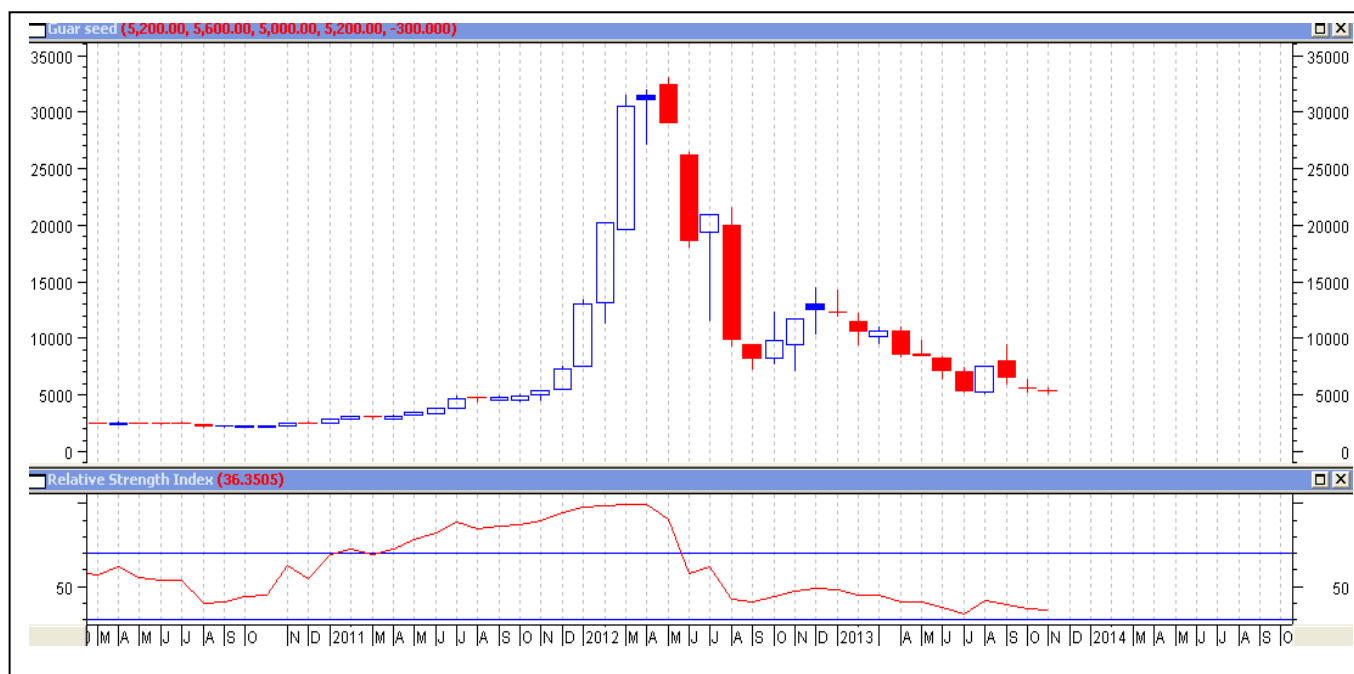


Fig-1 – Guar Seed Monthly Spot Prices (Jodhpur)

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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