

Highlights of the Month:

- Guar seed as well as gum prices improved last month bias due to lower arrivals.
- Small farmers are now don't want to hold guar due to lesser hope of increase in guar seed prices in the coming months. It is notable that guar stocks are now in hands of big stockists and farmers and majorly small farmers have release their guar stocks in their local respective markets as reported.
- US based organizations are conducting guar cultivation commercially to watch the sustainability of guar crop in the region as reported.
- IFC plans to invest \$30 million in Lucid colloids Ltd (LCL) to meet the growth plans and its working capital requirements. LCL is planning to setup an finished guar gum production and other hydrocolloids production facility at Bharuch, Gujarat. It is notable that LCL is one of the four largest guar gum producers in India.
- Market participants are feeling current guar arrivals are still sufficient to drag the prices of guar seed down. It is notable that arrivals are pretty much at lower side compared to prior months.
- India is offering guar split at FOB Rs. 128/kg which is still higher compared to Pakistan which are presently offering guar split at FOB Rs. 120/kg.
- Reportedly, big traders and farmers who have invested their own money (and money taken on interest) are not willing to release their guar stocks in the open market at present rates.

Current Market Dynamics:

Market is presently hovering in Rs 4000-5000 per quintal range from last 3-4 months. Thin trading activities recorded in the markets as market participants still believe prices of guar seed has the potential to move down further supported by higher carry over stock, good production figures and lack of export demand from overseas.

Reportedly, around 4900 bags of guar seed arrived in Jodhpur market in March 2014 which was 6000 bags last month. Presently, around 40000-45000 bags of guar seed arrive in all India markets on a daily basis as reported.

Export and Import Scenario

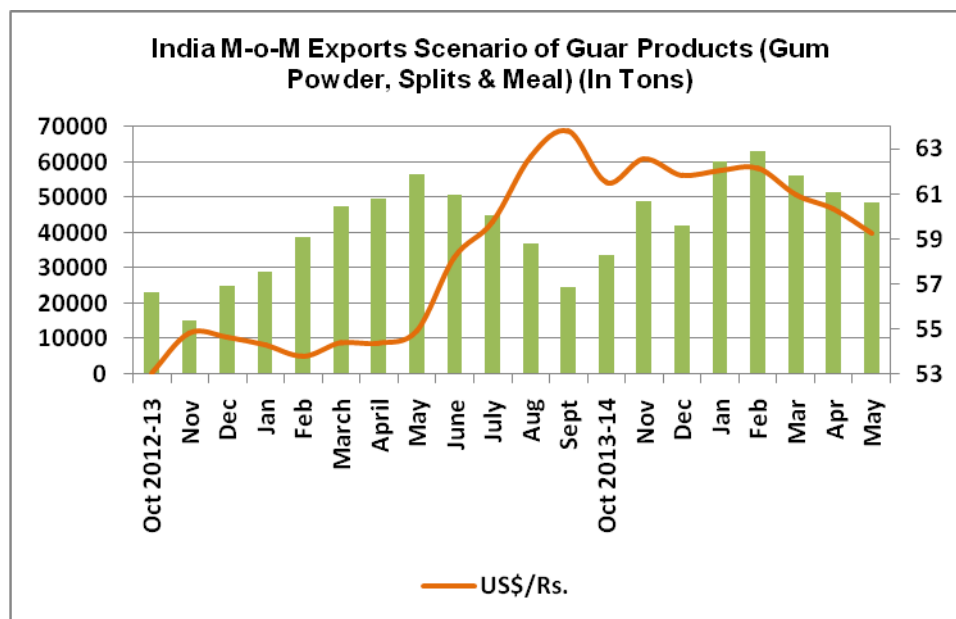
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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:

On export front, demand of guar products are decreasing in line with appreciation in Rupee. Also, demand of guar products among major importers are also weak. Below is the Rupee Monthly movement and its impact on monthly guar products export figures.

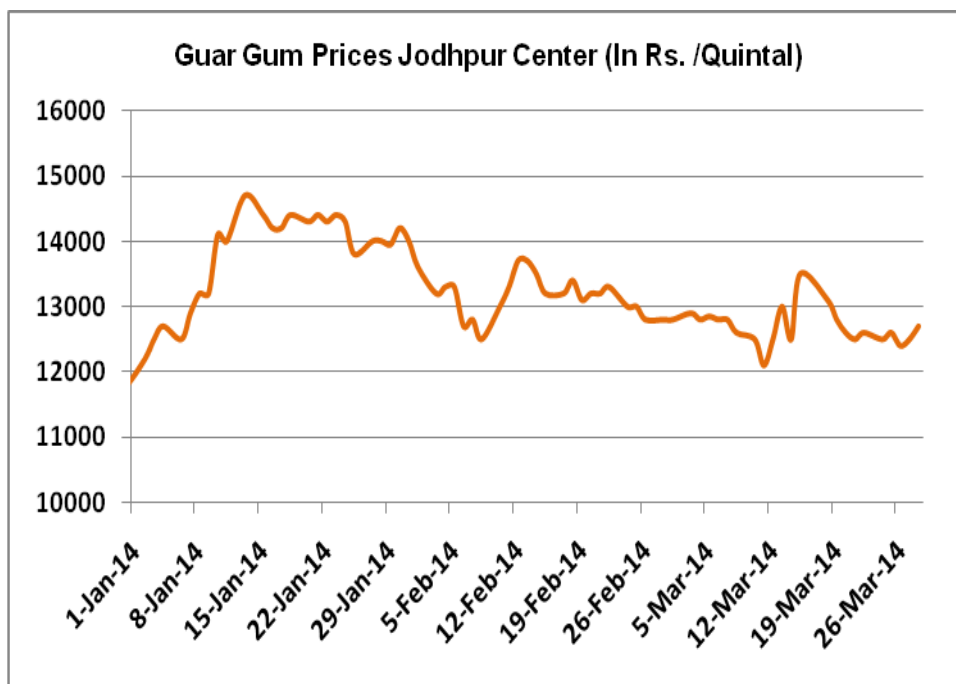
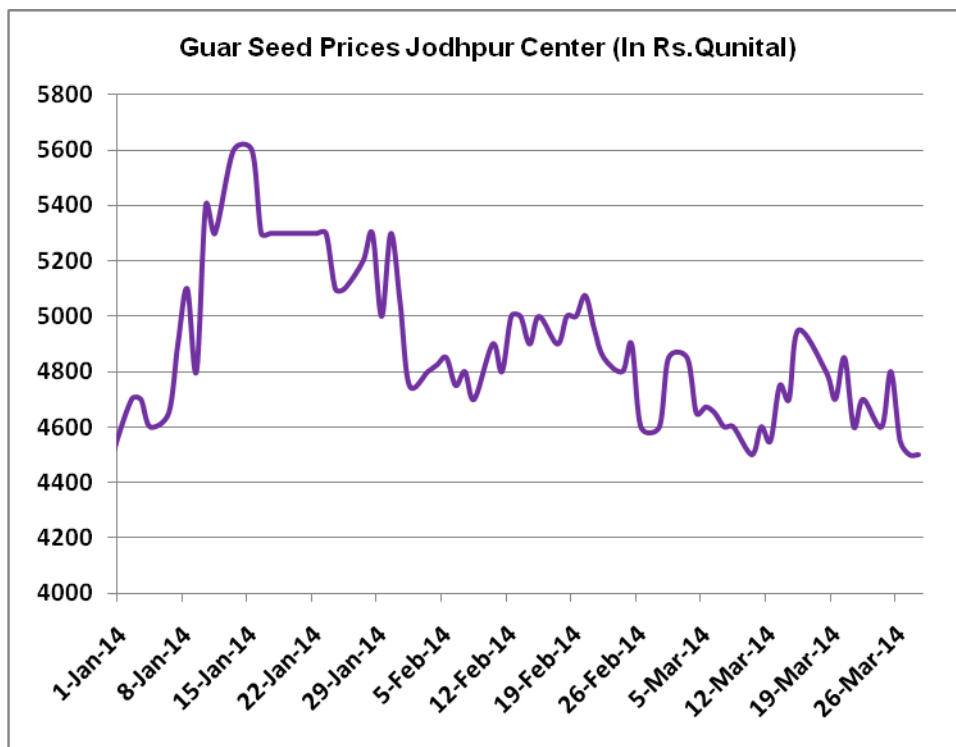


Guar Splits FOB Price Comparison:

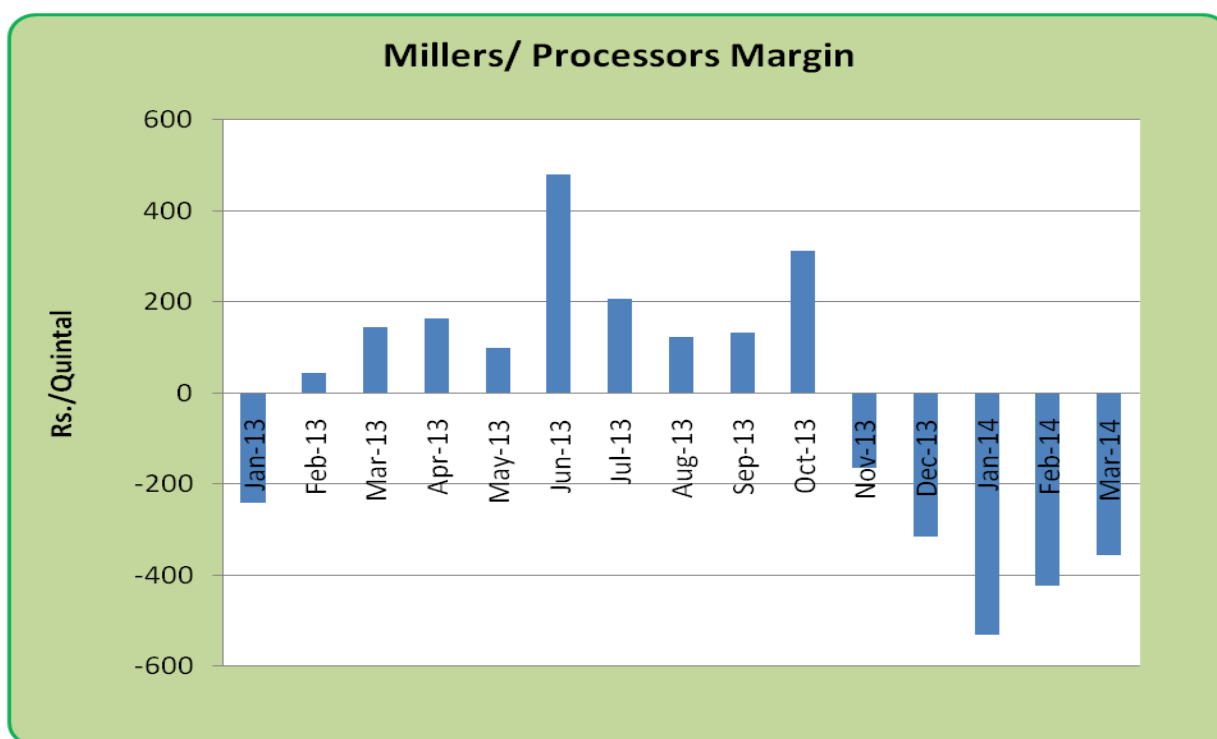
Indicative Guar Gum Split FOB Prices (Rs./Kg) till 30 th April 2014			
	Pakistan (Rs./Kg)	India (Rs./Kg)	
Comparative Guar Split FOB Prices	-	150	-

Price Scenario

Monthly average Guar seed and gum prices declined month-on-month basis in Jodhpur market. The average monthly price of guar seed for April improved by 2% to Rs.4736/Qtl and that of guar gum improved by 1% to Rs.13040/Qtl in comparison with the month of March 2014. 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 improved compared to previous month. In the month of March 2014, average crush margin stood at Rs. -355/Quintal which was -422 per quintal last month. Increase in Korma prices led the processing margin improved compared to prior month.

Guar by – Products Monthly Average Prices:

Commodity	Centre	April-14	March-14	Change
Churi	Jodhpur	949	898	51
Korma	Jodhpur	1367	1306	61
Churi	Sri-Ganganagar	915	854	61
Korma	Sri-Ganganagar	1361	1225	136
Prices in Rs/75kg				

Guar Export Monthly Average Prices:

Commodity	Variety	April-14	March-14	Change
Guargum Split		2155	2090	65
Guargum Powder	200 Mesh 5000 CPS	2724	2743	-19
	200 Mesh 3500 CPS	2479	2578	-99
Guargum Meal	40%	269	268	1
	50%	387	366	21
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)		Change
	Guar Seeds	April-14	March-14	
Rajasthan	Jodhpur (Loose)	4537	4444	92
	Jodhpur(Delivery)	4737	4675	62
	Sri-Ganganagar(Loose)	4652	4419	233
	Sri-Ganganagar (Delivery)	4791	4553	237
	Nagaur (Loose)	4474	4245	228
	Alwar (loose)	4391	4118	273
	Churu (Delivery)	4786	4709	77
	Bikaner (Loose)	4629	4476	153
	Bikaner (Delivery)	4800	4618	182
	Khajuwala Bikaner (Loose)	4628	4398	230
	Khajuwala Bikaner(Delivery)	4813	4574	239
	Nokha(Loose)	4590	4424	166
	Nokha (Delivery)	4756	4583	173
	Hanumangarh (Loose)	4343	4424	-81
	Hanumangarh (Delivery)	4516	4596	-81
Haryana	Adampur (Loose)	4668	4462	206
	Adampur (Delivery)	4870	4652	218
	Sirsa (Loose)	4802	4607	195
	Bhiwani (Delivery)	4700	4522	178
	Dhabwali (Loose)	4615	4435	180
	Dhabwali (Delivery)	4785	4621	163
	Siwani (Loose)	4689	4534	155
	Ellanabad (Loose)	4702	4440	262
Gujarat	Deesa (Loose)	3542	4151	-609
	Patan (Loose)	3019	4215	-1196
	Rajkot (Loose)	4261	4107	154
Madhya pradesh	Dabra (Loose)	3700	3871	-171
Guar Gum				
Rajasthan	Jodhpur	13326	12693	633
	Alwar	13338	12674	665
Haryana	Sirsa	12757	12268	489
	Bhiwani	13454	12676	778
	Dhabwali	12983	12664	319
	Ellanabad	13100	12724	376

Guar Cumulative Arrivals in Key Centers

Centre	Monthly Arrivals (Quintals)			Change
		April-14	March-14	
Rajasthan	Jodhpur	4990	4900	90
	Sri-Ganganagar	30200	59500	-29300
	Nagaur	3250	2910	340
	Alwar	12400	15200	-2800

	Churu	8750	6000	2750
	Bikaner	22100	21900	200
	Khajuwala Bikaner	10200	22200	-12000
	Nokha	14200	6450	7750
	Hanumangarh	8550	21400	-12850
Haryana	Adampur	65000	108000	-43000
	Sirsa	41500	78000	-36500
	Bhiwani	9900	14300	-4400
	Dhabwali	9340	11250	-1910
	Siwani	46000	46200	-200
	Ellanabad	14300	37400	-23100
Gujarat	Deesa	2045	2986	-941
	Patan (Loose)	842	3285	-2443
	Rajkot	19475	8578	10897
Madhya pradesh	Dabra	11200	36800	-25600
Total Arrival		334242	507259	-173017

Spot Market Monthly Price Trend of Guar seed at Jodhpur

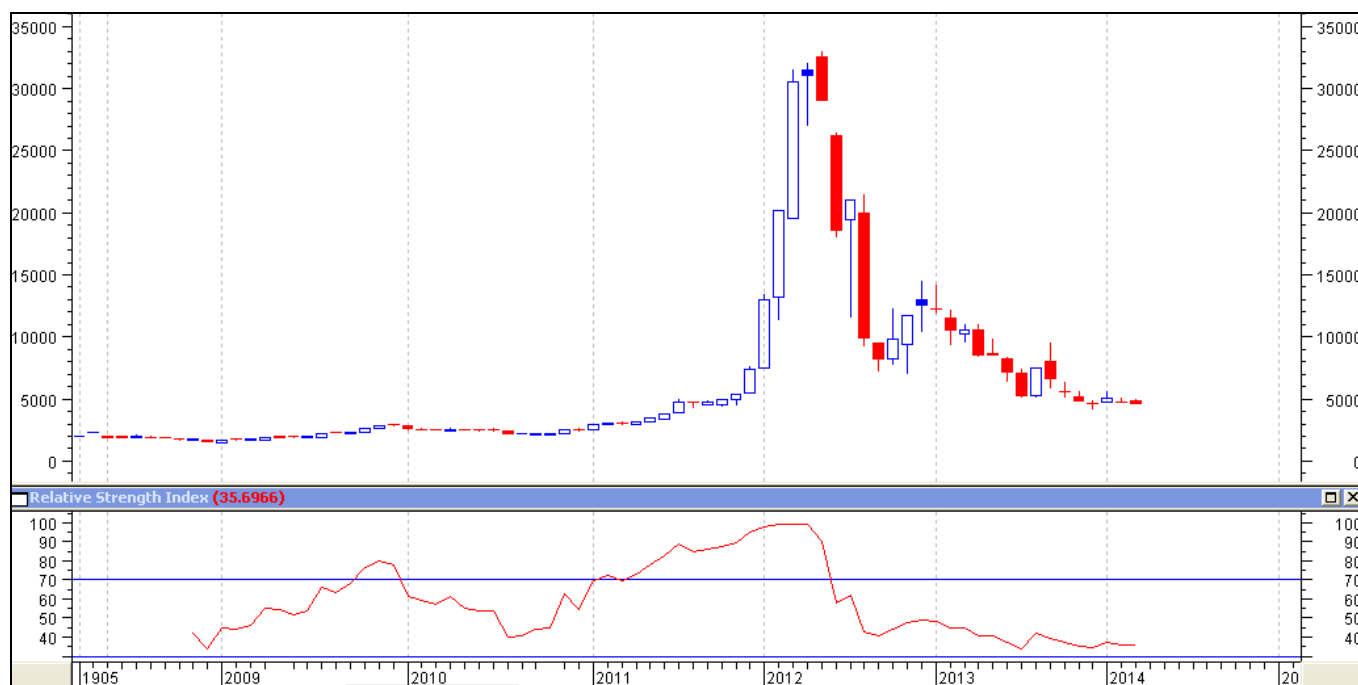


Fig-1 – Guar Seed Monthly Spot Prices (Jodhpur)

Guar seed prices are moving in a range with weak tone as chart depicts. However, last candlestick depicts prices would move in a range in the coming months.

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

Spot Market Monthly Price Trend of Guar Gum at Jodhpur

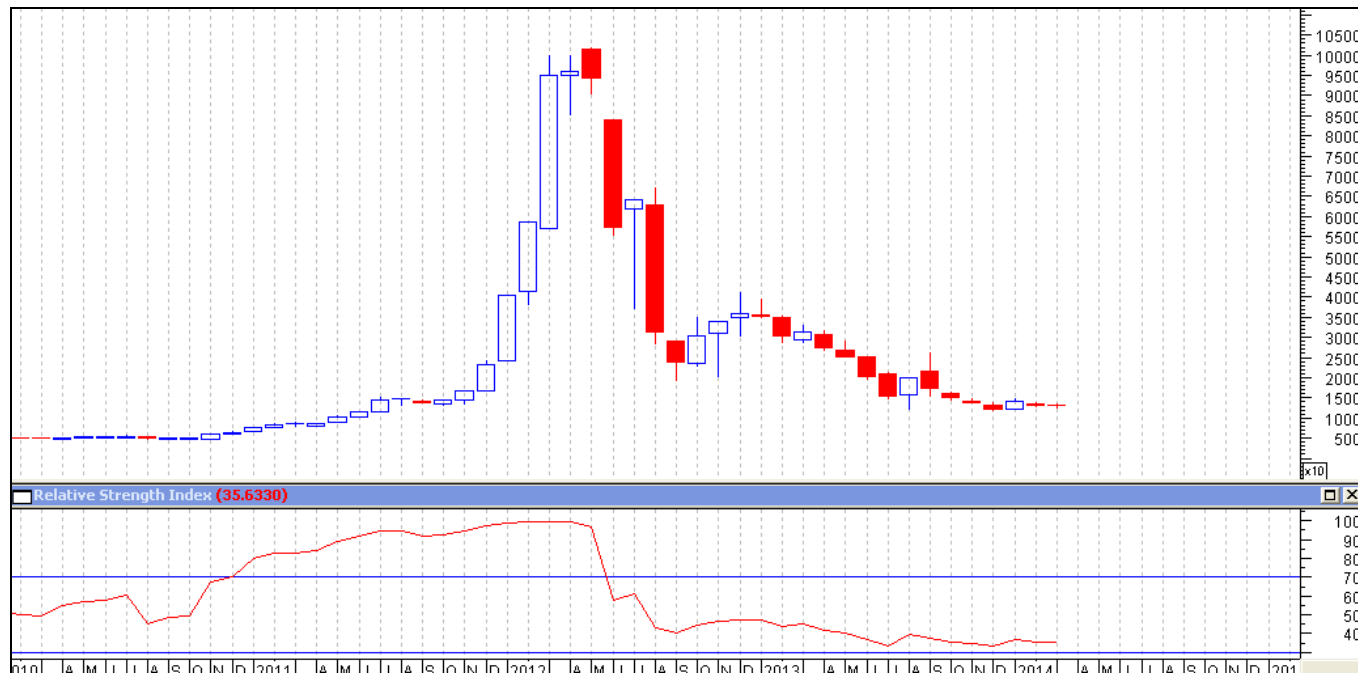


Fig-2 – Guar Gum Monthly Spot Prices (Jodhpur)

Guar gum prices are moving in downward channel as chart depicts. Prices break crucial level and likely to test its next resistance level i.e. Rs 14000.

Prices are likely to move towards Rs.14000/Qtl levels in the medium –term.

Spot Market Outlook:

Guar seed and gum prices are moving in a range with weak tone. However, talks of lower monsoon this year might give punters opportunity to pull the markets up.

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