

Highlights of the Month:

- Guar seed as well as gum prices improved last month bias due to lower arrivals.
- Gujarat summer crop has started arriving and daily around 20000 bags of guar arriving as reported.
- Cotton (Substitute crop of Guar seed) sowing hampers due to low water availability. Germination is not occurring in case of Cotton which might urge farmers to go for Guar sowing in July-Aug as expected.
- India has exported around 9184 tons of guar gum powder and 1940 tons of Guar splits in the week ended 25th May 2014.
- Guar price direction also depends on Cotton sowing which is still going on in Rajasthan. If cotton sowing lowered down this year compared to last year than guar sowing is likely to increase for the coming marketing year.
- Recent showers in Rajasthan region become the major influencing factor which led the prices down of guar from last couple of weeks. Notably, water levels in major dams in Rajasthan are not sufficient enough and if El Nino come into affect then prices of guar seed will move up in the coming months as expected.
- As per expectation of Agriwatch, if monsoon remained normal in the coming months then prices will fall upto Rs. 3500-4000 per quintal. However, if monsoon rainfall fall short below normal then prices of guar seed would go upto Rs. 6000 to 6500 per quintal.
- Meanwhile, stockists are bullish on guar in the coming months ahead due to lower monsoon precipitation forecast from various weather agencies. It is notable that future of guar prices are totally depend on weather.

Current Market Dynamics:

Prices recently breach Rs 4000-5000 per quintal range which was trading from last 3-4 months. Now, stockists and millers are showing their interest in purchasing guar with every dip due to El Nino effect. It is notable that guar prices are highly correlated with rainfall. It is like when the rainfall is getting higher than prices of guar seed generally moved down and vice versa.

This year, most of the weather forecaster are predicting El Nino effect in India which means lesser rainfall in July-Sept period which are closely monitoring by Punters.

Reportedly, around 6150 bags of guar seed arrived in Jodhpur market in May 2014 which was 4990 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

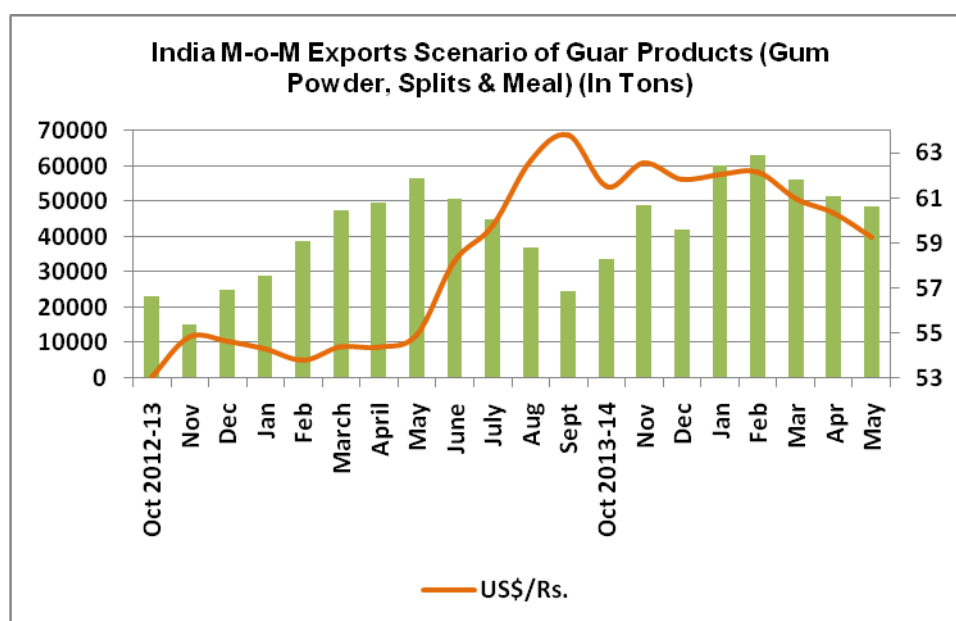
Reportedly, China and US are trying to get guar products from India but from last couple of months the volumes of imports of Guar products from India decreased due to lower parity thanks to strong rupee.

In addition to it, recent incident in west texas guar, US farmers discourage to plant guar for the coming year as they haven't got the payments for 2013 guar crop from the company. This also indicates that guar demand from overseas are not looking pretty much lucrative at present

It is notable that around 10000 tons of guar meal, 6400 tons of guar splits and 32036.9 tons of guar gum powder has been exported by India in the month of May till 25th May.

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.

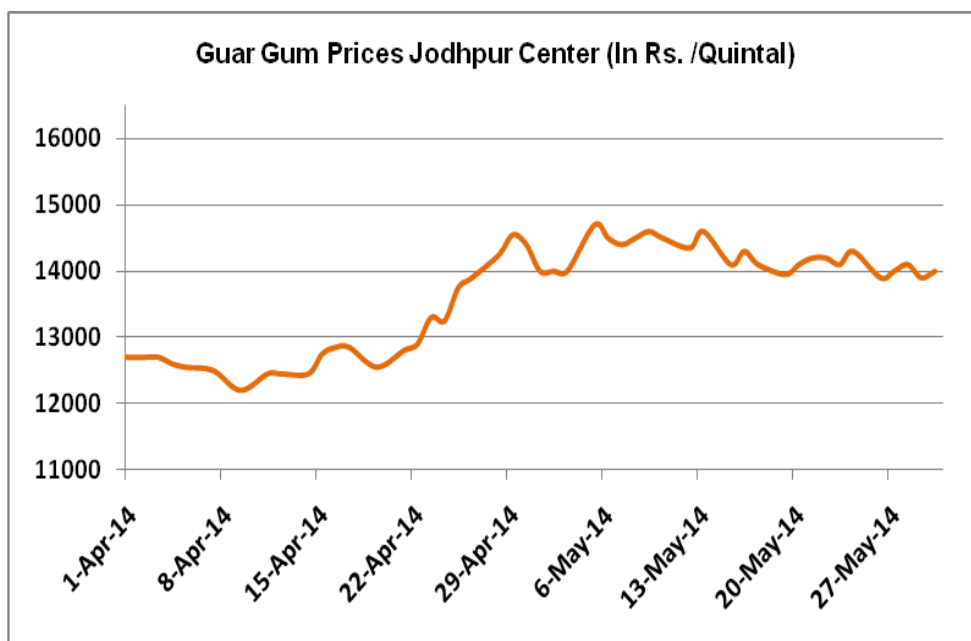
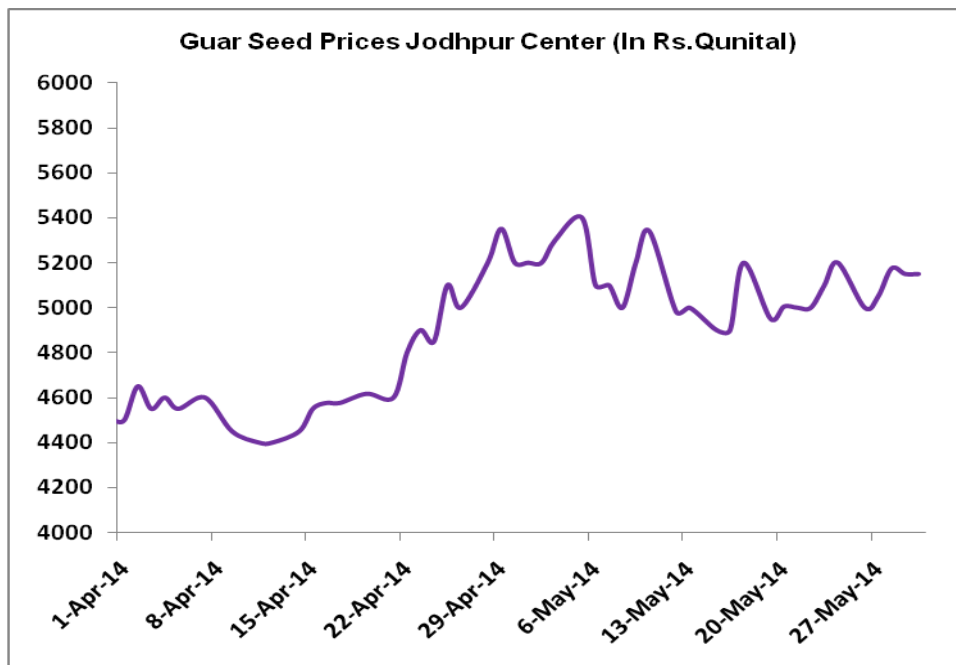


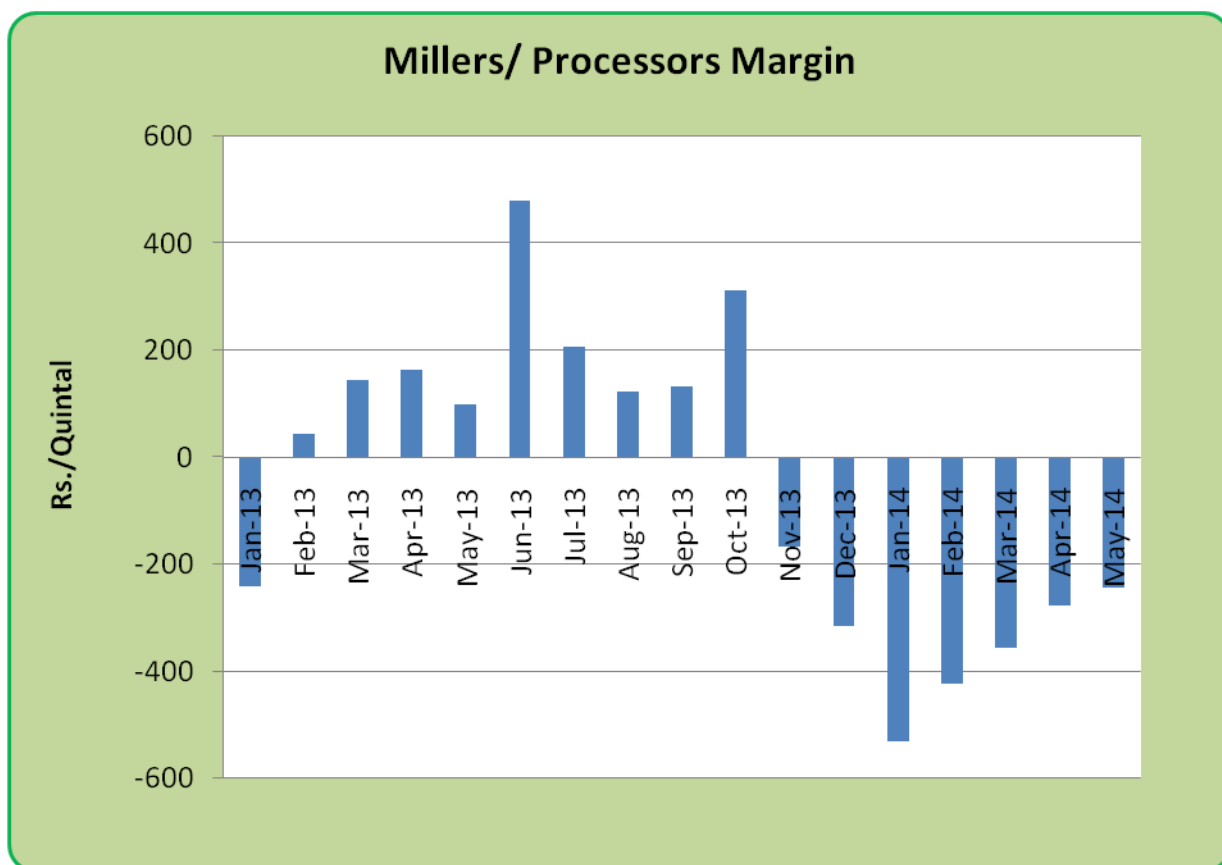
Guar Splits FOB Price Comparison:

Indicative Guar Gum Split FOB Prices (Rs./Kg) till 30 th May 2014			
	Pakistan (Rs./Kg)	India (Rs./Kg)	
Comparative Guar Split FOB Prices	130	138	-

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 May improved by 8% to Rs.5104/Qtl and that of guar gum improved by 9% to Rs.14216/Qtl in comparison with the month of April 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 May 2014, average crush margin stood at Rs. --244/Quintal which was -276 per quintal last month. Increase in Korma prices and higher degree of increase in guar gum prices compared to guar seed prices led the processing margin improved compared to prior month.

Guar by – Products Monthly Average Prices:

Commodity	Centre	May-14	April-14	Change
Churi	Jodhpur	1019	949	70
Korma	Jodhpur	1481	1367	114
Churi	Sri-Ganganagar	978	915	63
Korma	Sri-Ganganagar	1470	1361	109
Prices in Rs/75kg				

Guar Export MonthlyAverage Prices:

Commodity	Variety	May-14	April-14	Change
Guargum Split		2423	2155	268
Guargum Powder	200 Mesh 5000 CPS	2842	2724	118
	200 Mesh 3500 CPS	2717	2479	238
Guargum Meal	40%	300	269	31
	50%	400	387	13
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)		Change
	Guar Seeds	May-14	April-14	
Rajasthan	Jodhpur (Loose)	4878	4537	341
	Jodhpur(Delivery)	5104	4737	367
	Sri-Ganganagar(Loose)	5064	4652	412
	Sri-Ganganagar (Delivery)	5224	4791	433
	Nagaur (Loose)	4886	4474	412
	Alwar (loose)	4708	4391	317
	Churu (Delivery)	4155	4786	-631
	Bikaner (Loose)	5060	4629	431
	Bikaner (Delivery)	5220	4800	420
	Khajuwala Bikaner (Loose)	5002	4628	374
	Khajuwala Bikane(Delivery)	5201	4813	388
	Nokha(Loose)	4963	4590	373
	Nokha (Delivery)	5142	4756	386
	Hanumangarh (Loose)	NA	4343	-
	Hanumangarh (Delivery)	NA	4516	-
Haryana	Adampur (Loose)	5067	4668	399
	Adampur (Delivery)	5260	4870	390
	Sirsa (Loose)	4907	4802	104
	Bhiwani (Delivery)	5139	4700	439
	Dhabwali (Loose)	4632	4615	17
	Dhabwali (Delivery)	4812	4785	27
	Siwani (Loose)	5150	4689	461
	Ellanabad (Loose)	5106	4702	404
Gujarat	Deesa (Loose)	4644	3542	1102



Madhya pradesh	Patan (Loose)	4652	3019	1633
	Rajkot (Loose)	4703	4261	442
	Dabra (Loose)	4080	3700	380
Guar Gum				
Rajasthan	Jodhpur	14220	13326	894
	Alwar	11591	13338	-1748
Haryana	Sirsa	12700	12757	-57
	Bhiwani	14149	13454	695
	Dhabwali	13187	12983	203
	Ellanabad	14227	13100	1127

Guar Cumulative Arrivals in Key Centers

Centre	Monthly Arrivals (Quintals)			Change
		May-14	April-14	
Rajasthan	Jodhpur	6150	4990	1160
	Sri-Ganganagar	21900	30200	-8300
	Nagaur	4830	3250	1580
	Alwar	19700	12400	7300
	Churu	3550	8750	-5200
	Bikaner	16200	22100	-5900
	Khajuwala Bikaner	9800	10200	-400
	Nokha	17600	14200	3400
	Hanumangarh	NA	8550	-
Haryana	Adampur	86500	65000	21500
	Sirsa	45700	41500	4200
	Bhiwani	14100	9900	4200
	Dhabwali	1945	9340	-7395
	Siwani	39500	46000	-6500
	Ellanabad	15050	14300	750
Gujarat	Deesa	2624	2045	579
	Patan (Loose)	2417	842	1575
	Rajkot	22695	19475	3220
Madhya pradesh	Dabra	11950	11200	750
Total Arrival		342211	334242	7969

Commodity: Guar Seed
Contract: Continuous Chart

Exchange: NCDEX

Guar Seed Continuous Chart (C1)

Technical Commentary:

- Prices are moving in a short upward channel.
- Breach of 4500 level by downward would take the prices down to Rs 3900.
- Prices are likely to move up after testing trendline support and would test its upper line of channel in the coming month as expected.
- Decrease in prices has not supported by OI.



Strategy: We advise market participants to Buy from near Support level.

Positional Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	C1 Chart	2380	3960	4730	6025	6515
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1 Chart	Buy	Above 4900	5600	5950	4450

Commodity: Guar Gum
Contract: Continuous Chart

Exchange: NCDEX

Guar Gum Continuous Chart (C1)

Technical Commentary:

- Guar gum prices are hovering in a upward channel.
- RSI is moving up near to neutral region.
- Decrease in prices has not supported by volume and OI which further indicates market could rebound from support levels.



Strategy: Buy							
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	C1 Chart	11930	12600	13490	15750	16200
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1 Chart	Buy	Above 13100	15100	15700	13000

Spot Market Monthly Price Trend of Guar seed at Jodhpur

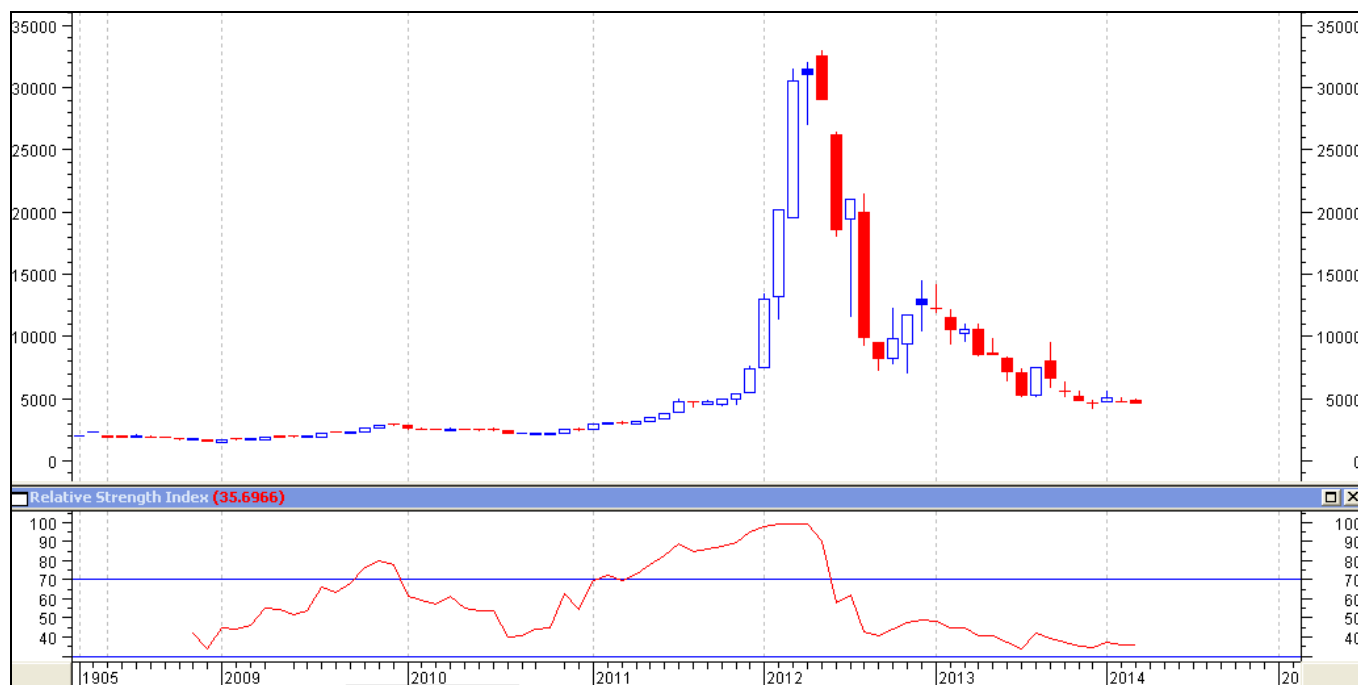


Fig-1 – Guar Seed Monthly Spot Prices (Jodhpur)

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

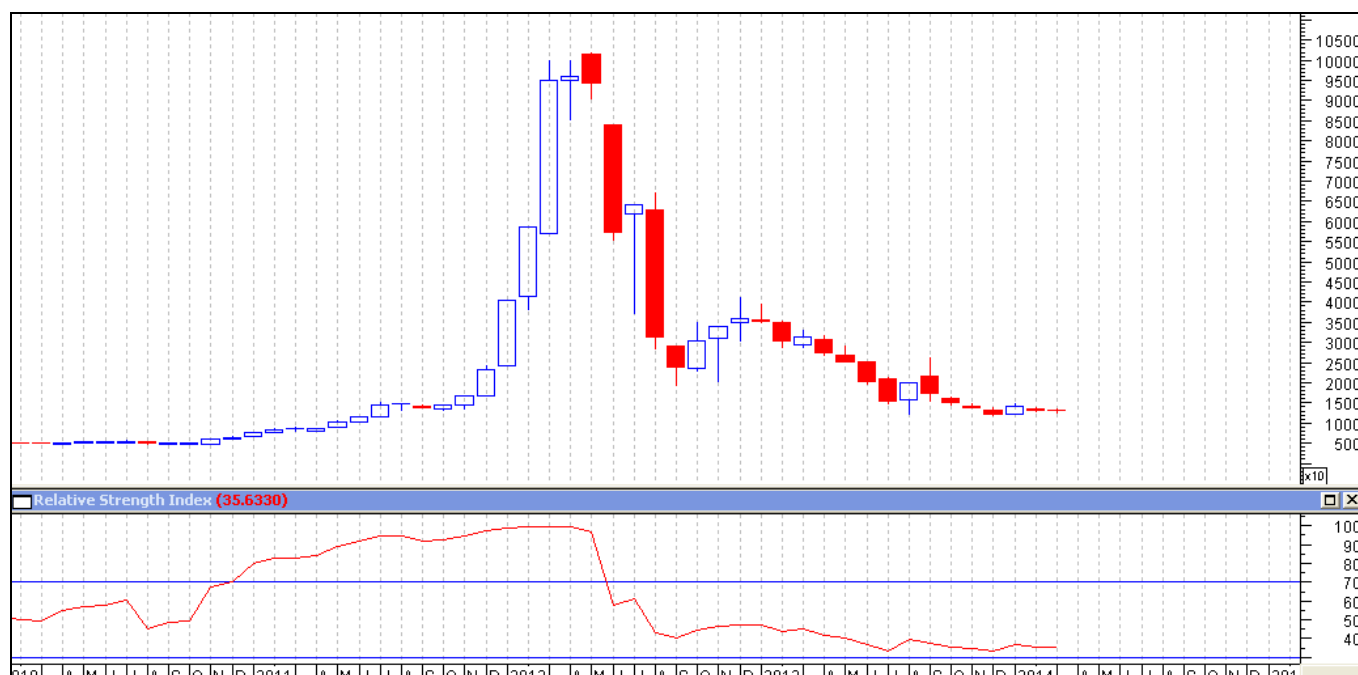


Fig-2 – Guar Gum Monthly Spot Prices (Jodhpur)

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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