

**Highlights of the Month:**

- Guar seed and gum prices improved during last month due to lower arrivals and firm spot demand. However, prices got some downside correction in the later half of the month due to good precipitation in the guar growing regions.
- Farmers are thinking not to divert their crop sowing pattern from guar to other crop in Alwar region. Normally, farmers plant wheat after guar in Alwar but delay in rainfall this year unable farmers to plant 180 days guar crop.
- Farmers have around 27% guar seed holding in Rajasthan state as reported.
- Ministry of Agriculture in North Darfur (Region of West Sudan) allotted 10000 acres to cultivate guar seed crop this season. Govt encourage farmers to plant more guar crop as it can increase their incomes and can also make their soil fertile.
- Still there is pretty less rainfall in Kutch, Banaskantha, and Patan area which urge farmers to plant castor and Cotton over guar.
- Gujarat got some rainfall last week especially Sabarkantha and Mehsana region as reported. Reportedly, only 35-40% rainfall deficit against normal reported in these regions this week which was 80-90% last week.
- Commodity futures market is going to become expensive for investors in Rajasthan as state govt. has proposed a rise in stamp duty to 1000 for a turnover of a crore. Earlier it was Rs 30 per crore.

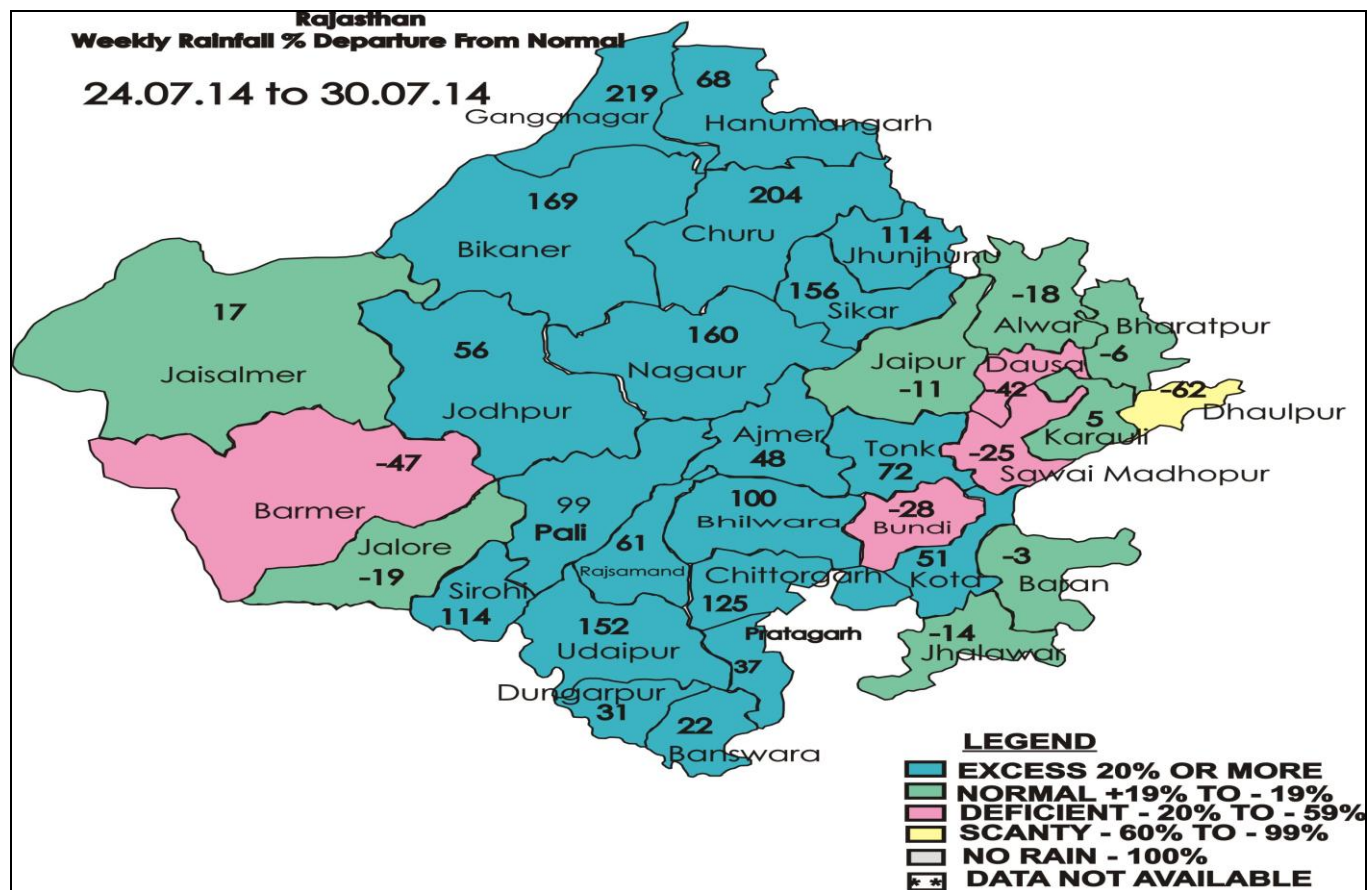
**Current Market Dynamics:**

Guar seed prices declined sharply due to recent rainfall in major guar producing regions which will increase the guar sowing. Earlier, lower monsoon rainfall bound the farmers to divert their planting to other crops like Castor, Cotton, Pulses etc.

In the major Jodhpur market, arrivals were reported around 5750 bags of guar seed last month which was lower by 900 bags compared to prior month. Farmers are now offloading stock due to panic selling at later half of the month.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported lower arrivals (56500 bags) compared to prior week i.e. 94000 bags.

**Weather and its impact on Guar seed sowing**



**Source: IMD**

As we can see now monsoon rainfall is reviving especially in the Western Rajasthan (consider as the biggest guar growing region) last couple of weeks which increased the guar sowing progress.

In Gujarat also, very less precipitation was witnessed during June to 3rd week of July which will ultimately delay the normal guar sowing by 10 days.

Cumulative Rainfall from 1-6-2014 to 6-8-2014			
Name	Actual	Normal	Dep %
Banaskantha	192.3	330.7	-42
Mehsana	335.1	373.4	-10
Patan	208.7	301.8	-31
Sabarkantha	384.7	440.7	-13
Kutch	131.3	220.1	-40
<b>Total Gujarat</b>	<b>316.4</b>	<b>399.8</b>	<b>-21</b>

**Source: IMD**
**Guar Production Estimate for 2014-15**

States	Production 2013-14 (In lac quintals)	Expected Production 2014-15 (In lac quintals)
Gujarat	25	20
Haryana	40	30.1
Punjab	4	3.3
Rajasthan	240	161.3
<b>Total India</b>	<b>309</b>	<b>212.8</b>

India guar seed production likely to decline to 212.8 lac quintals in 2014-15 compared to 309 lac quintals production in 2013-14. Main reason for decline in guar seed production are decreasing acreage due to farmers shift to other substitute crops like Pulses and Cotton and weak monsoon.

**Export and Import Scenario**

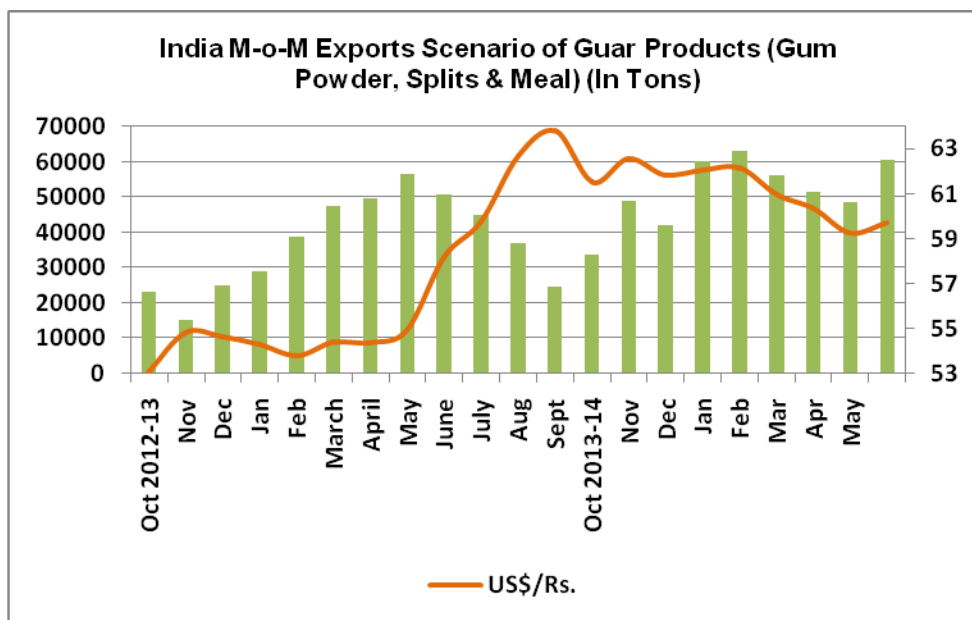
China and US have started buying guar products which is showing in the recent months export figures.

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.

India has exported 60634 tons of guar products (Gum powder, Splits and Meal) in June 2014 which is higher compared to 48437 tons guar exported last month. It is also notable that India has exported around 50820 tons last year same period.

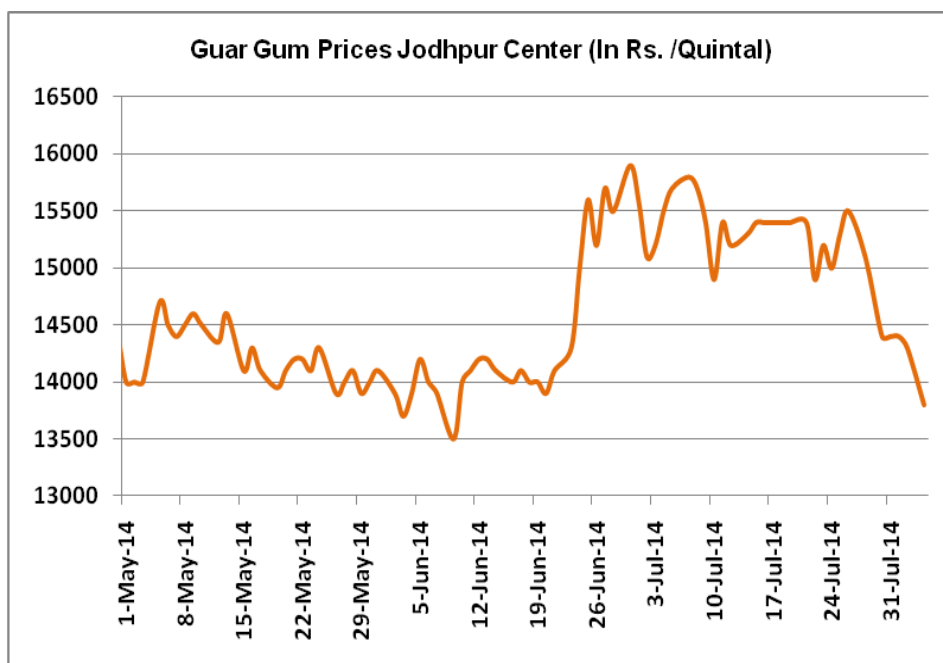
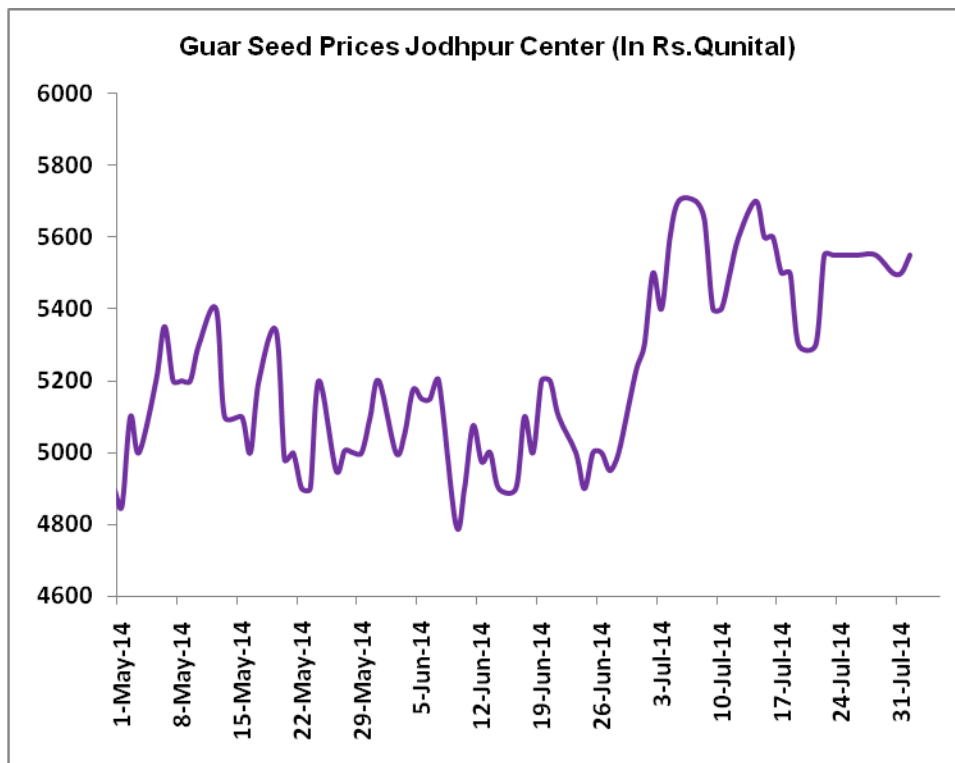
### Demand Side of Guar and Guar Gum:

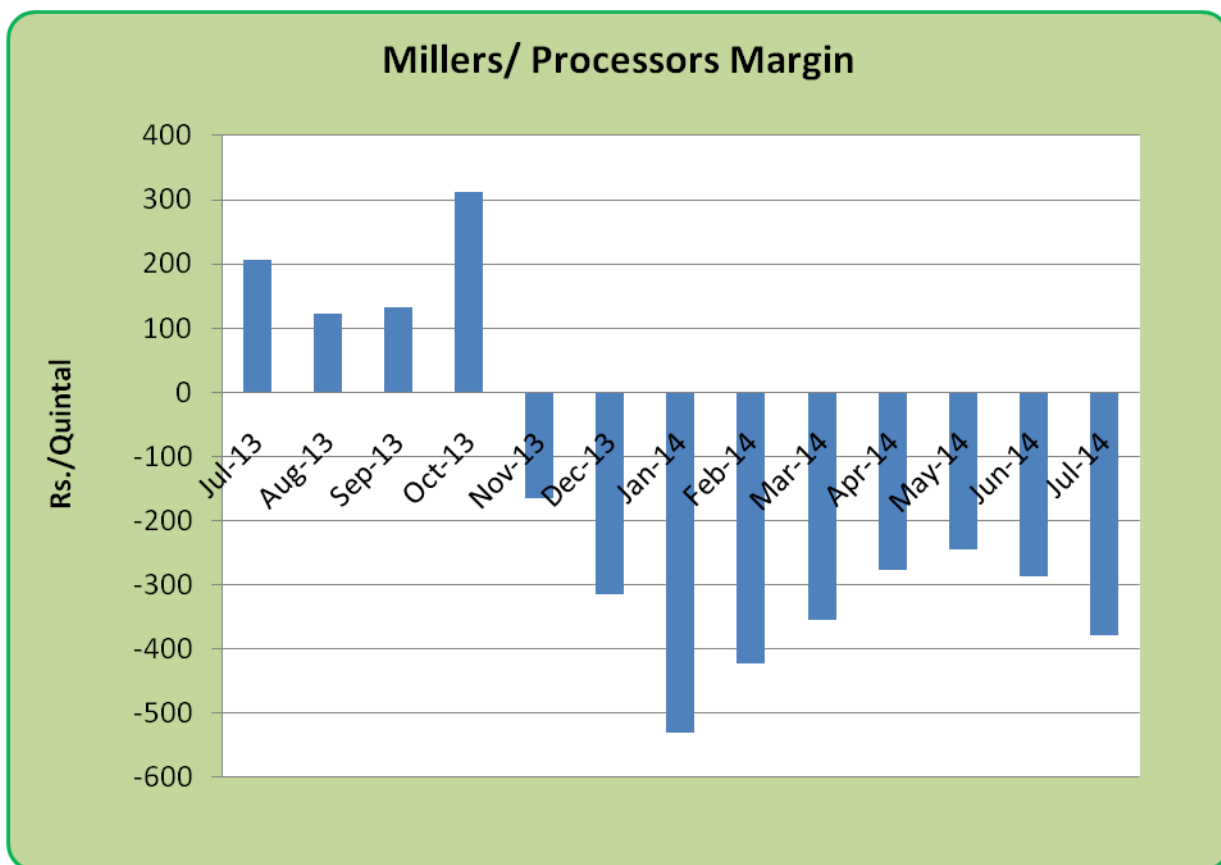
On export front, demand of guar products have increased in June in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Below are the Rupee Monthly movement and its impact on monthly guar products export figures.



### 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 July improved by 7% to Rs.5492/Qtl and that of guar gum improved by 6% to Rs.15270/Qtl in comparison with the month of June 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 declined compared to previous month. In the month of July 2014, average crush margin stood at Rs. -378/Quintal which were -287 per quintal last month. Decrease in Churi and Korma prices last month became the major factor for decline in the processing margin in July 2014.

**Guar by – Products Monthly Average Prices:**

Commodity	Centre	14-Jul	14-Jun	Change
Churi	Jodhpur	933	949	-16
Korma	Jodhpur	1337	1390	-53
Churi	Sri-Ganganagar	903	886	17
Korma	Sri-Ganganagar	1276	1314	-38
Prices in Rs/75kg				

**Guar Export MonthlyAverage Prices:**

Commodity	Variety	14-Jul	14-Jun	Change
Guargum Split		2562	2409	153
Guargum Powder	200 Mesh 5000 CPS	2885	2716	169

	200 Mesh 3500 CPS	2800	2663	137
Guargum Meal	40%	274	285	-11
	50%	373	382	-9
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)		Change
	Guar Seeds	14-Jul	14-Jun	
Rajasthan	Jodhpur (Loose)	5217	4923	294
	Jodhpur(Delivery)	5462	5137	325
	Sri-Ganganagar(Loose)	5272	4954	318
	Sri-Ganganagar (Delivery)	5438	5138	300
	Nagaur (Loose)	5169	4829	340
	Alwar (loose)	4907	4723	184
	Churu (Delivery)	5228	4908	320
	Bikaner (Loose)	5264	5015	249
	Bikaner (Delivery)	5428	5168	260
	Khajuwala Bikaner (Loose)	5243	4956	287
	Khajuwala Bikane(Delivery)	5455	5155	300
	Nokha(Loose)	5154	4948	206
	Nokha (Delivery)	5340	5127	213
	Hanumangarh (Loose)	5221	5016	205
	Hanumangarh (Delivery)	5402	5214	188
Haryana	Adampur (Loose)	5309	4980	329
	Adampur (Delivery)	5496	5156	340
	Sirsa (Loose)	5200	4943	257
	Bhiwani (Delivery)	5376	5075	301
	Dhabwali (Loose)	5249	4941	308
	Dhabwali (Delivery)	5432	5141	291
	Siwani (Loose)	5335	5054	281
	Ellanabad (Loose)	5314	5020	294
Gujarat	Deesa (Loose)	5217	4808	409
	Patan (Loose)	5259	4702	557
	Rajkot (Loose)	5200	4756	444
Madhya pradesh	Dabra (Loose)	4559	4181	378
Guar Gum				
Rajasthan	Jodhpur	15238	14326	912
	Alwar	15165	14050	1115
Haryana	Sirsa	14457	13086	1371

	Bhiwani	15213	14429	784
	Dhabwali	15252	14358	894
	Ellanabad	15213	14348	865

**Guar Cumulative Arrivals in Key Centers**

Centre	Monthly Arrivals (Quintals)			Change
		14-Jul	14-Jun	
Rajasthan	Jodhpur	5750	4850	900
	Sri-Ganganagar	26300	36000	-9700
	Nagaur	2800	6500	-3700
	Alwar	11000	22200	-11200
	Churu	10700	8500	2200
	Bikaner	12150	25000	-12850
	Khajuwala Bikaner	13200	12100	1100
	Nokha	12550	12800	-250
	Hanumangarh	6250	9950	-3700
Haryana	Adampur	56500	94000	-37500
	Sirsa	24300	19800	4500
	Bhiwani	55400	33600	21800
	Dhabwali	4850	6350	-1500
	Siwani	51500	47000	4500
	Ellanabad	14500	17400	-2900
Gujarat	Deesa	10912	5727	5185
	Patan (Loose)	9702	4327	5375
	Rajkot	17469	37210	-19741
Madhya pradesh	Dabra	6050	6300	-250
Total Arrival		351883	409614	-57731



**Commodity: Guar Seed**  
**Contract: Continuous Chart**

**Exchange: NCDEX**

## Guar Seed Continuous Chart (C1)

### Technical Commentary:

- Prices are showing bullishness from current levels as chart depicts.
- Breach of 4860 level by downward would take the prices down to Rs 4550.
- Prices are likely to move up after testing trend line support and would test its upper line of channel in the coming month as expected.



**Strategy:** We advise market participants to Buy

Positional Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	C1 Chart	-	4550	5010	6590	7250
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1 Chart	Buy	Above 4900	5200	5350	4720

**Commodity: Guar Gum**  
**Contract: Continuous Chart**

**Exchange: NCDEX**

## Guar Gum Continuous Chart (C1)

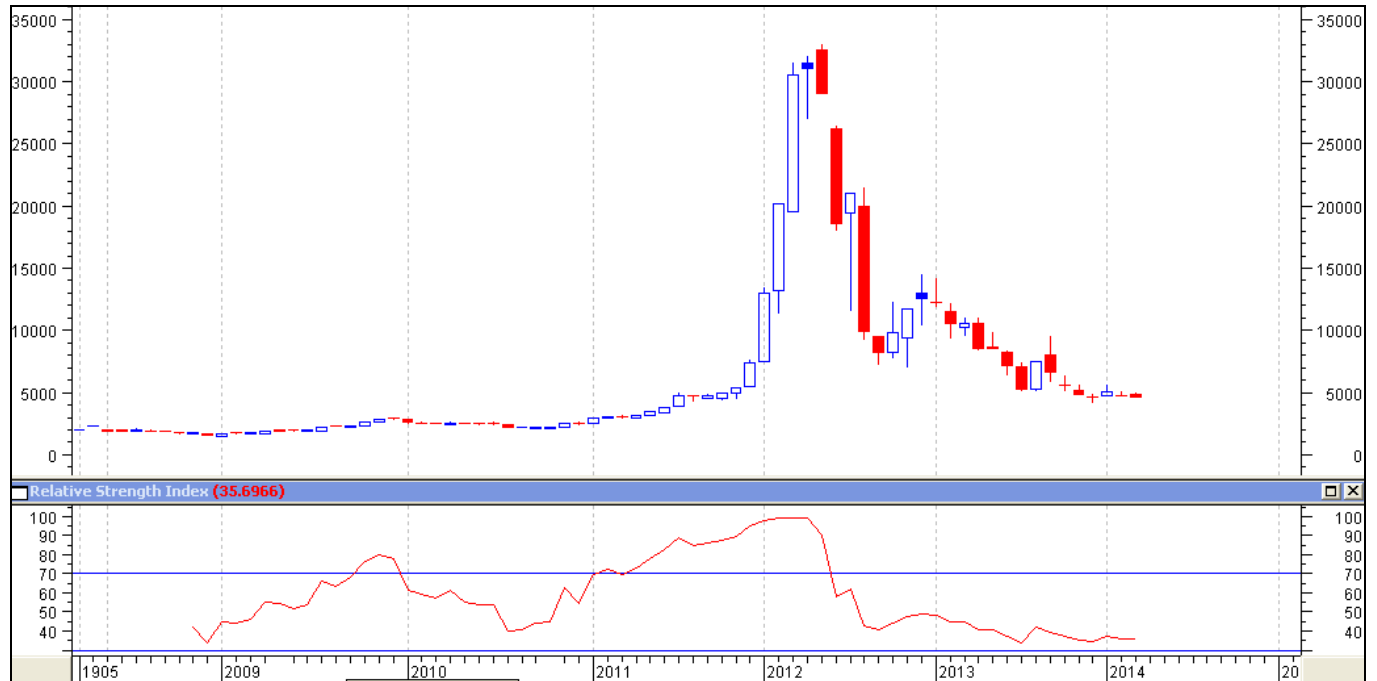
### Technical Commentary:

- Guar gum prices are hovering in an upward channel.
- RSI is moving up near to neutral region.
- Last candlestick depicts bullishness in the prices.



**Strategy:** Buy

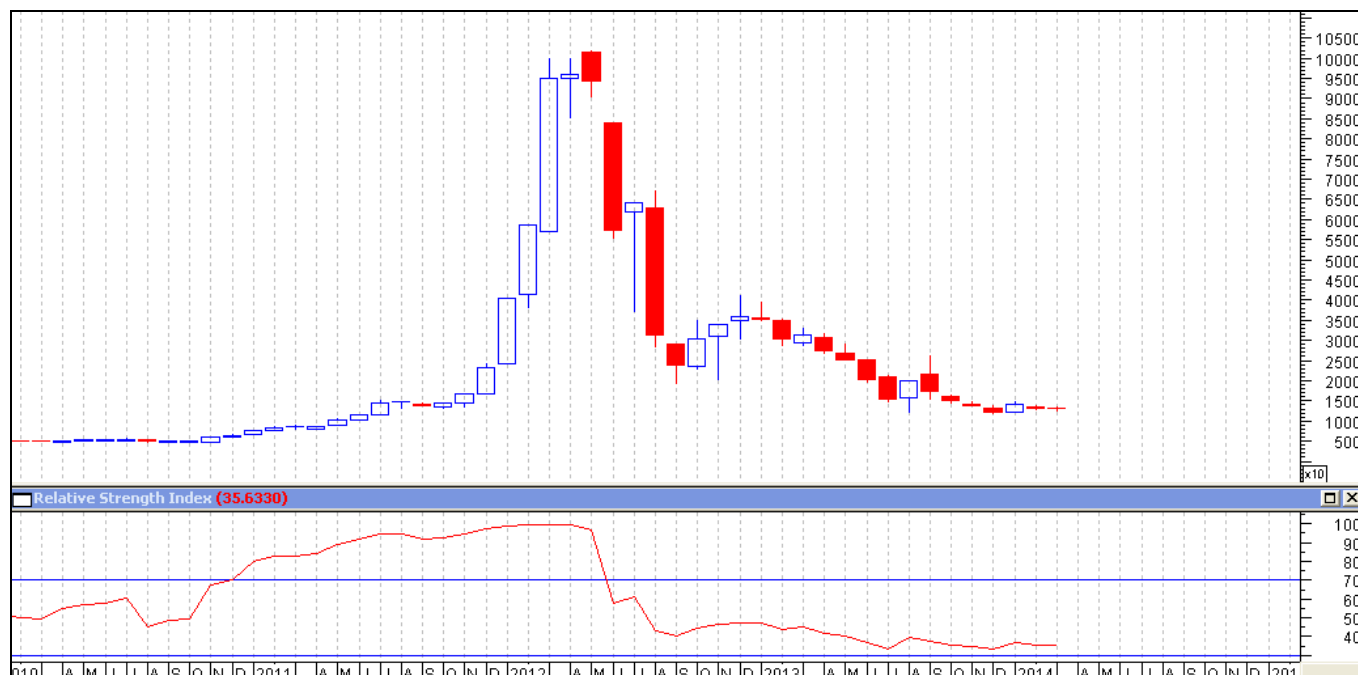
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	C1 Chart	12635	13460	14140	18280	20090
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1 Chart	Buy	Above 13800	14400	14700	13500

**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 firm tone as chart depicts. However, last candlestick depicts prices would move up in the coming months.

**Prices are likely to continue to trade firm 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 upward channel as chart depicts. Prices break crucial level and likely to test its next resistance level i.e. Rs 16000.

**Prices are likely to move towards Rs.16000/Qtl levels in the medium –term.**

### Spot Market Outlook:

Guar seed and gum prices showed a turnaround in the last couple of weeks due to good rainfall in the rainfed areas of Rajasthan and Gujarat which enable farmers to plant guar in their respective fields.

However, overall prices improved compared to last month. It is notable that despite of good rainfall, delayed sowing and lower acreage compared to last year likely to give boost to the prices in the coming month.

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