

Highlights of the Month:

- Guar seed and Gum prices improved last month despite of higher arrivals compared to prior month. Good demand overseas and lower guar production expectations for the coming marketing year led the prices up.
- Markets are now estimating 1.25 -1.5 crore bags production of guar seed this year due to late rainfall and lower acreage this year compared to last year.
- Prices seem to test Rs 5360-5250 per quintal in the coming week. Punters are trying to pull the market down to regain their guar stock holding.
- Continuous warm wind (also called Naguari wind) is flowing in Bikaner region from last couple of days which is harming standing guar crop.
- Reportedly, new crop arrivals of guar seed reported in Ganganagar. However, black guar seed is arriving right now due to late rainfall which fetches lower rates compared to normal seed.

Current Market Dynamics:

Guar seed prices improved last month considering good demand at current levels. However, new crop arrival pressure start building up which might drag the prices down in spot market in the coming weeks.

In the major Jodhpur market, arrivals were reported around 9850 bags of guar seed last month which was 5750 bags compared to prior month.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported lower arrivals (49100 bags) compared to prior week i.e. 56500 bags.

Crop Update:**Gujarat:**

Gujarat weather shows a turnaround amid heavy rainfall during last week of Aug to 1st week of Sept. which is not good for 2 feet height guar seed crop.

Some loss has been reported in guar crop in the Northern part of Gujarat due to continuous rainfall. Also, delayed sowing also likely to impact the yield of guar seed for the coming marketing year.

Rajasthan:

Continuous warm wind (also called Naguari wind) is flowing in Bikaner region from last couple of days which is harming standing guar crop.

Image below clearly showing crop is drying with this warm wind flowing in the region.



Also, some crop damage also reported in Sikar district due to heavy rainfall.

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
Total India	309	212.8

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

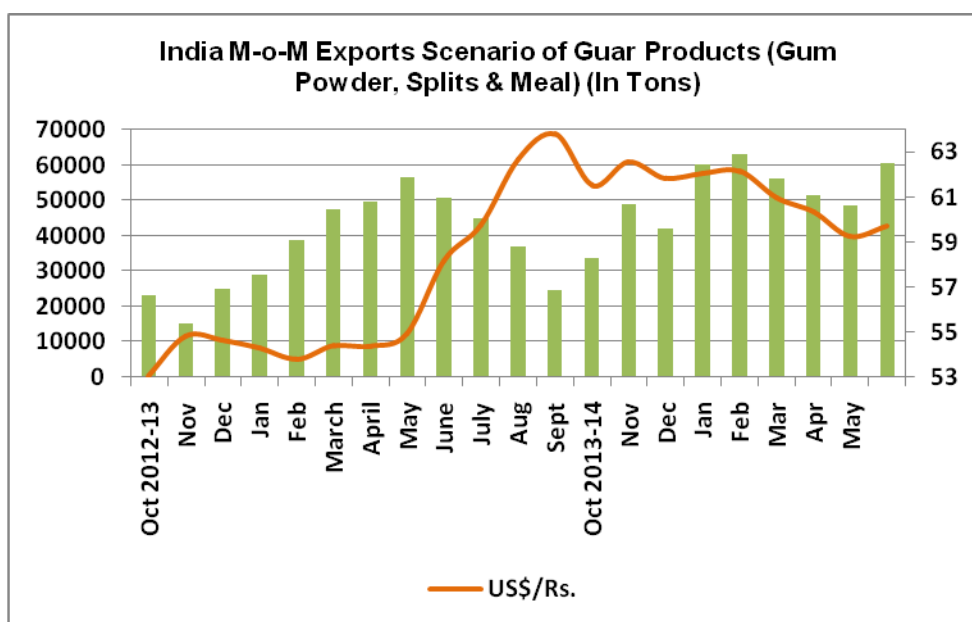
China and US have started buying guar products which is showing in the recent months export figures.

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.

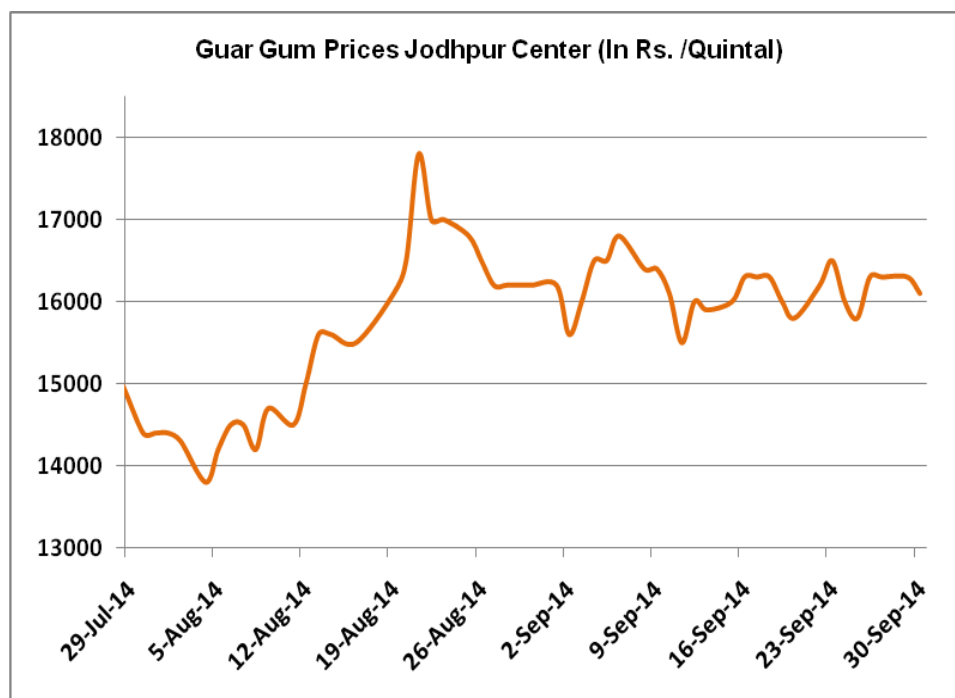
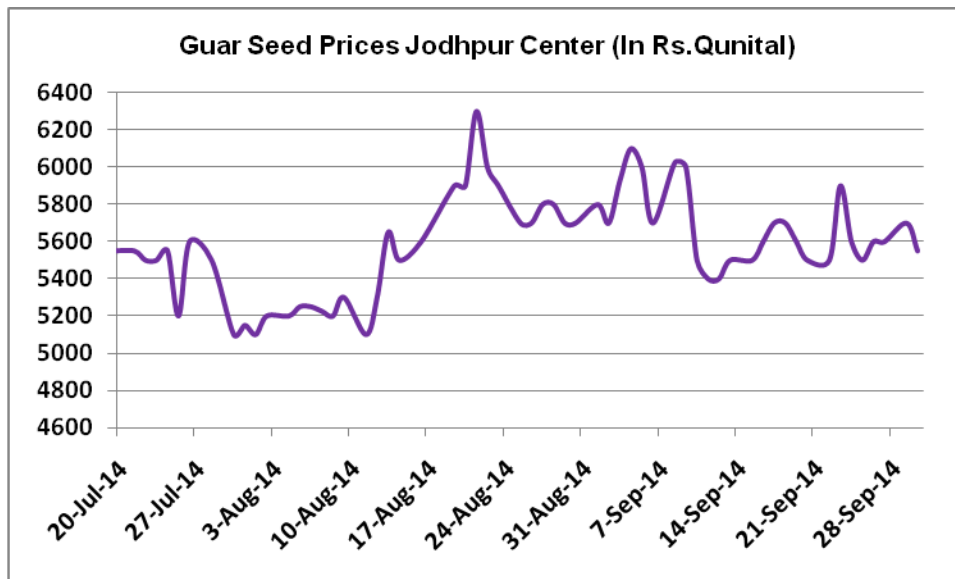
Demand Side of Guar and Guar Gum:

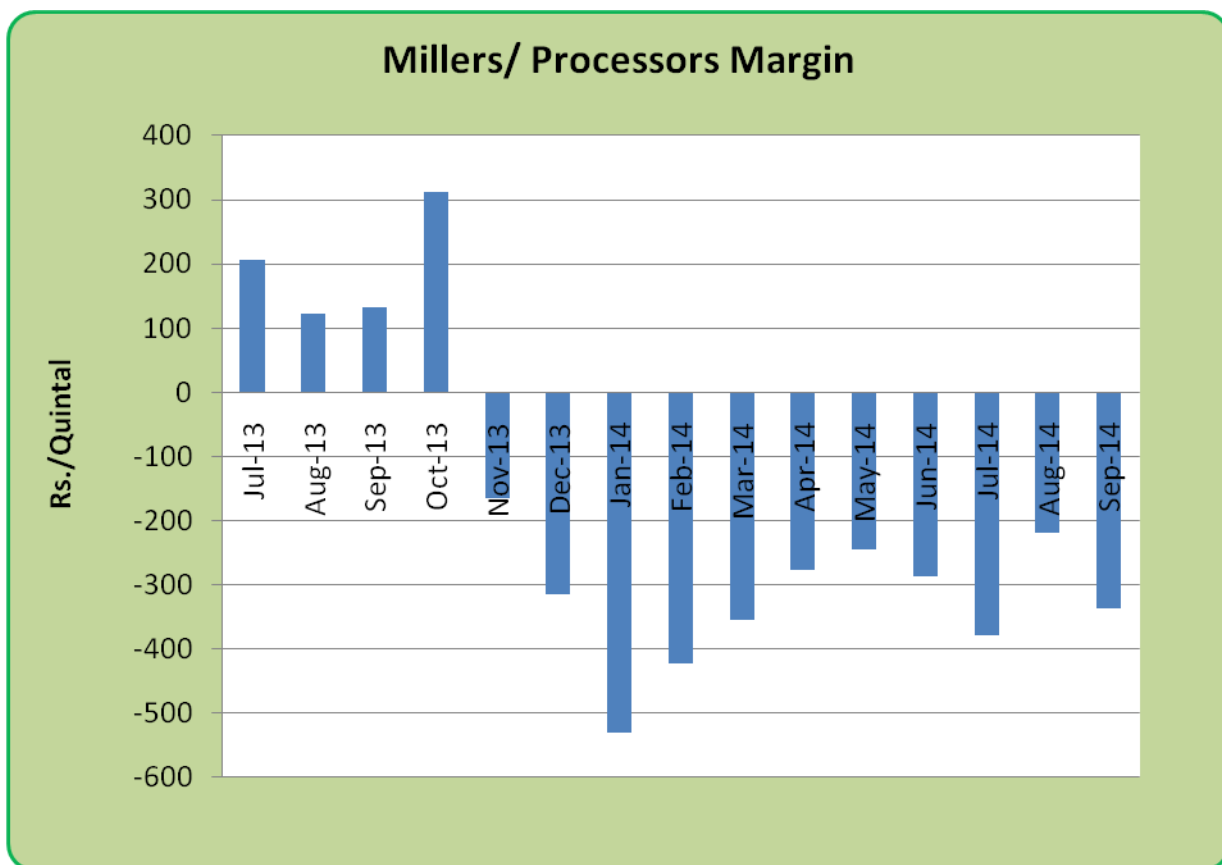
On export front, demands of guar products have increased in June in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Below are the Rupee Monthly movement and its impact on monthly guar products export figures.



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 Sept improved by 2.2% to Rs.5677/Qtl and that of guar gum improved by 3.9% to Rs.16157/Qtl in comparison with the month of September 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 Sept 2014, average crush margin stood at Rs. -337/Quintal which were -218 per quintal last month. Decrease in churi and Korma prices compared to last month led the processing margin decline in Sept 2014.

Guar by – Products Monthly Average Prices:

Commodity	Centre	14-Sep	14-Aug	Change
Churi	Jodhpur	907	925	-18
Korma	Jodhpur	1281	1267	14
Churi	Sri-Ganganagar	860	893	-33
Korma	Sri-Ganganagar	1219	1223	-4
Prices in Rs/75kg				

Guar Export Monthly Average Prices:

Commodity	Variety	14-Sep	14-Aug	Change
Guargum Split		2641	2562	79
Guargum Powder	200 Mesh 5000 CPS	2970	2898	72
	200 Mesh 3500 CPS	2890	2828	62

Guargum Meal	40%	268	263	5
	50%	353	358	-5
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)		Change
		14-Sep	14-Aug	
Rajasthan	Guar Seeds			
	Jodhpur (Loose)	5408	5280	128
	Jodhpur(Delivery)	5677	5553	124
	Sri-Ganganagar(Loose)	5397	5333	64
	Sri-Ganganagar (Delivery)	5575	5555	20
	Nagaur (Loose)	5299	5126	173
	Alwar (loose)	5206	5035	171
	Churu (Delivery)	5547	5356	191
	Bikaner (Loose)	5447	5322	125
	Bikaner (Delivery)	5621	5500	121
	Khajuwala Bikaner (Loose)	5392	5171	221
	Khajuwala Bikaner(Delivery)	5608	5376	232
	Nokha(Loose)	5393	5279	114
	Nokha (Delivery)	5587	5469	118
	Hanumangarh (Loose)	5396	5350	46
	Hanumangarh (Delivery)	5595	5538	57
Haryana	Adampur (Loose)	5465	5382	83
	Adampur (Delivery)	5637	5579	58
	Sirsa (Loose)	5437	5424	13
	Bhiwani (Delivery)	5612	5494	118
	Dhabwali (Loose)	5380	5329	51
	Dhabwali (Delivery)	5584	5525	59
	Siwani (Loose)	5574	5432	142
	Ellanabad (Loose)	5497	5422	75
Gujarat	Deesa (Loose)	5192	5053	139
	Patan (Loose)	5277	5070	207
	Rajkot (Loose)	5272	5114	158
Madhya pradesh	Dabra (Loose)	3938	4600	-662
Guar Gum				
Rajasthan	Jodhpur	16158	15554	604
	Alwar	16071	15505	566
Haryana	Sirsa	16026	15755	271
	Bhiwani	16154	15692	462

	Dhabwali	16098	15533	565
	Ellanabad	16085	15833	252

Guar Cumulative Arrivals in Key Centers

Centre	Monthly Arrivals (Quintals)			Change
		14-Sep	14-Aug	
Rajasthan	Jodhpur	10420	9850	570
	Sri-Ganganagar	45200	24000	21200
	Nagaur	10600	3325	7275
	Alwar	7050	15500	-8450
	Churu	12900	6400	6500
	Bikaner	16950	6150	10800
	Khajuwala Bikaner	9700	7500	2200
	Nokha	17400	10700	6700
	Hanumangarh	14050	4815	9235
Haryana	Adampur	52600	49100	3500
	Sirsa	41900	21450	20450
	Bhiwani	25400	29200	-3800
	Dhabwali	8710	3475	5235
	Siwani	31400	39500	-8100
	Ellanabad	10200	10510	-310
Gujarat	Deesa	3912	2779	1133
	Patan (Loose)	2067	2600	-533
	Rajkot	28330	33720	-5390
Madhya pradesh	Dabra	3505	2600	905
Total Arrival		352294	283174	69120

Commodity: Guar Seed
Contract: Nov Contract

Exchange: NCDEX

Guar Seed Nov Chart

Technical Commentary:

- Prices are showing bearishness from current levels as chart depicts.
- Breach of 5147 level by downward would take the prices down to Rs 4590.
- 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 Sell from resistance level

Positional Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Nov	4590	5147	5463	5873	6044
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Nov	Sell	Below 5600	5300	5150	5780

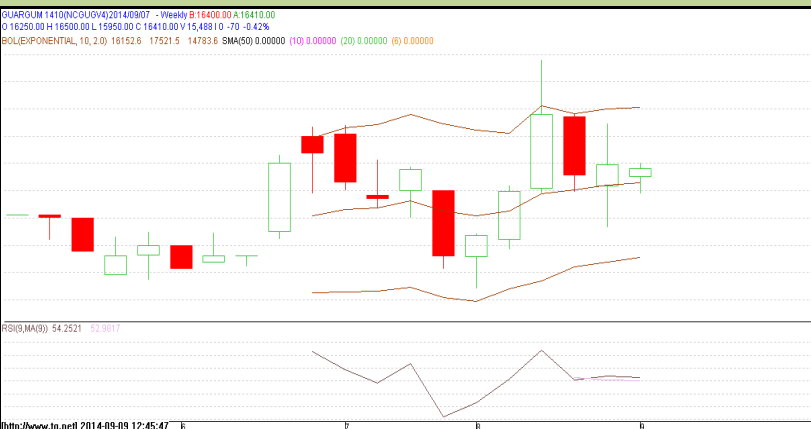
Commodity: Guar Gum
Contract: Nov Chart

Exchange: NCDEX

Guar Gum Nov

Technical Commentary:

- Guar gum prices are hovering in an sideways trend.
- RSI is moving down near to neutral region.
- Last candlestick depicts bearishness in the prices.



Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Nov	12906	14480	16480	20278	22612
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov	Sell	Below 16100	15100	14600	13500

Spot Market Monthly Price Trend of Guar seed at Jodhpur

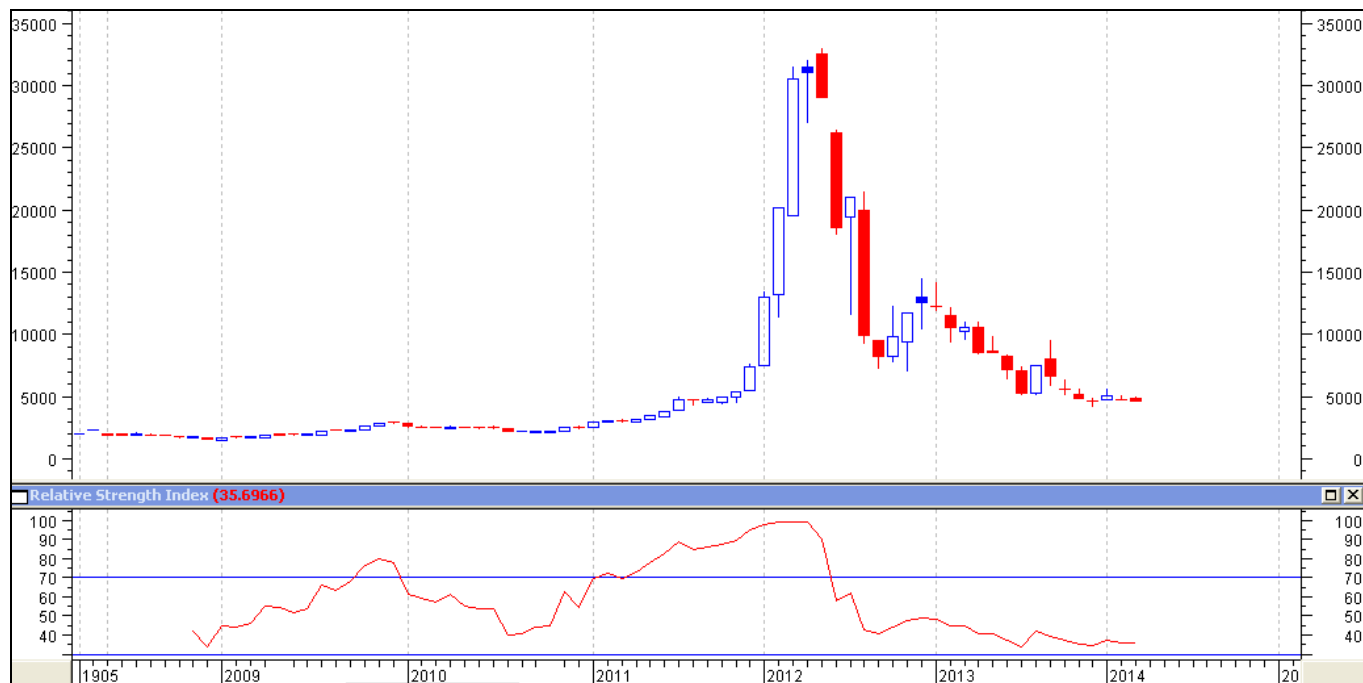


Fig-1 – Guar Seed Monthly Spot Prices (Jodhpur)

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

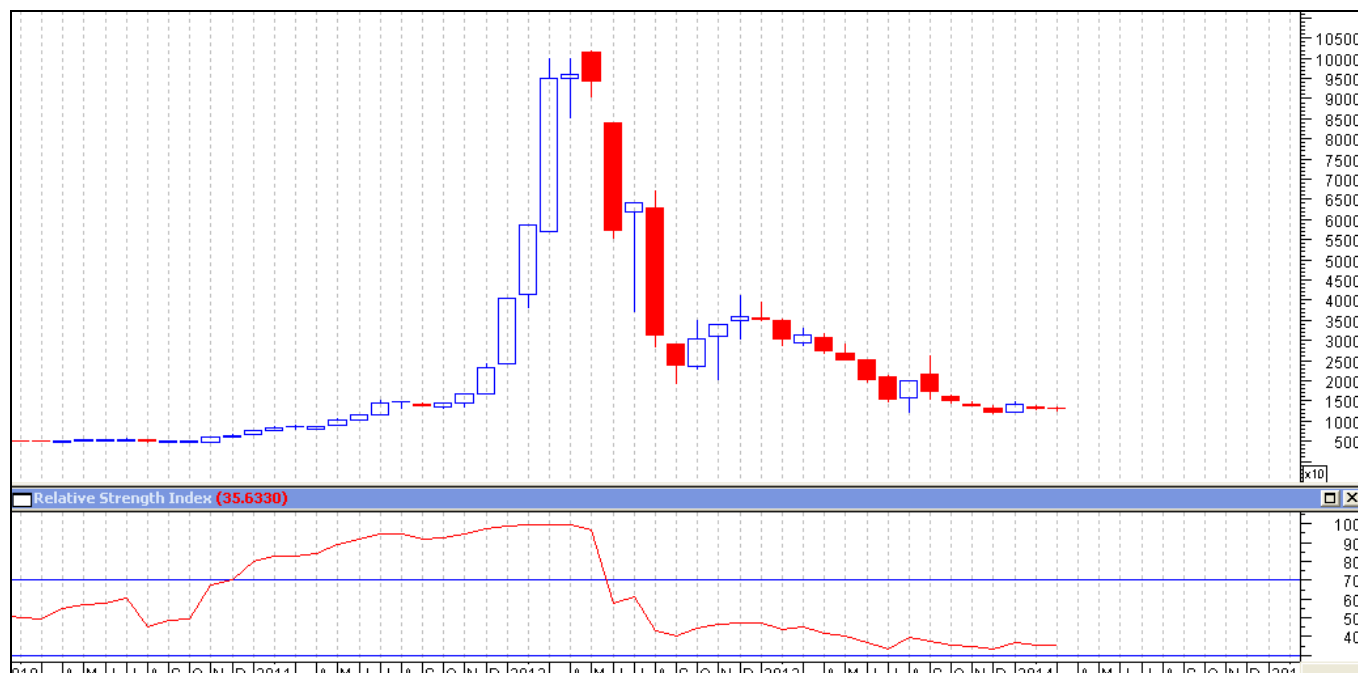


Fig-2 – Guar Gum Monthly Spot Prices (Jodhpur)

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 18000.

Prices are likely to move towards Rs.18000/Qtl levels in the medium –term.

Spot Market Outlook:

Guar seed and gum prices looks bullish due to good spot demand and crushing at lower levels. In addition to it, decrease numbers of acreage in all major producing states like Haryana, Rajasthan and Gujarat also gives bullish hint in the long term.

With excessive rainfall in Gujarat and 1 month delay in sowing, we also expect some downside in yield in guar seed crop which also will add fire in the prices in the month ahead.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2014 Indian Agribusiness Systems Pvt Ltd.