

**Highlights of the Month:**

- Guar seed and Gum average prices declined last month due of higher arrivals compared to prior month.
- India has exported around 33867 tons of guar products (Splits, Meal & Powder) in October 2014. Out of the total guar seed export figures, around 9884 tons of Guar Meal, 7253 tons of Guar Splits and 16730 tons of Guar Gum Powder. It is notable that India has exported 51723 tons of Guar products in September 2014.
- Meanwhile, Farmers are stop bringing guar seed crop in the markets due to decreasing guar seed prices as reported.
- We expect guar seed prices will come down to Rs 4700-4900 (Nov Futures contract basis) from where buying should come.
- Punters are trying to pull the market down from where they will buy additional quantity of guar seed at lower levels.
- Arrivals started declining in key markets from today. Reportedly, farmers especially from Ganganagar and Hanumangarh belt are releasing black guar first and showing willingness to hold good quality guar seed stock which ultimately raise the concerns of guar arrivals in the markets in the near future.

**Current Market Dynamics**

Guar seed average prices improved slightly last week despite of arrivals pressure in Ganganagar region. We expect prices to decline in the coming week owing to increasing arrival pressure. Meanwhile, the sentiments remained bullish for guar seed for the medium to long term. Lower guar seed acreage and expected lower yield and production compared to last year change the fundamentals altogether.

In the major Jodhpur market, arrivals were reported around 1300 bags of guar seed last week which was around 3200 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (13000 bags) compared to prior week i.e. 16500 bags.

## Crop Update:

### Gujarat:

Guar seed crop in Gujarat have not get affected with recent Nilofer cyclone. Some scattered rainfall in coastal regions of Gujarat reported.

However, overall crop is not so good in Banaskantha, Sabarkantha and Mehsana region. Late sowing and lack of rainfall at the time of Germination affected the crop much. Reportedly around 30% crop dry or damage due to lack of rainfall this year in Gujarat.

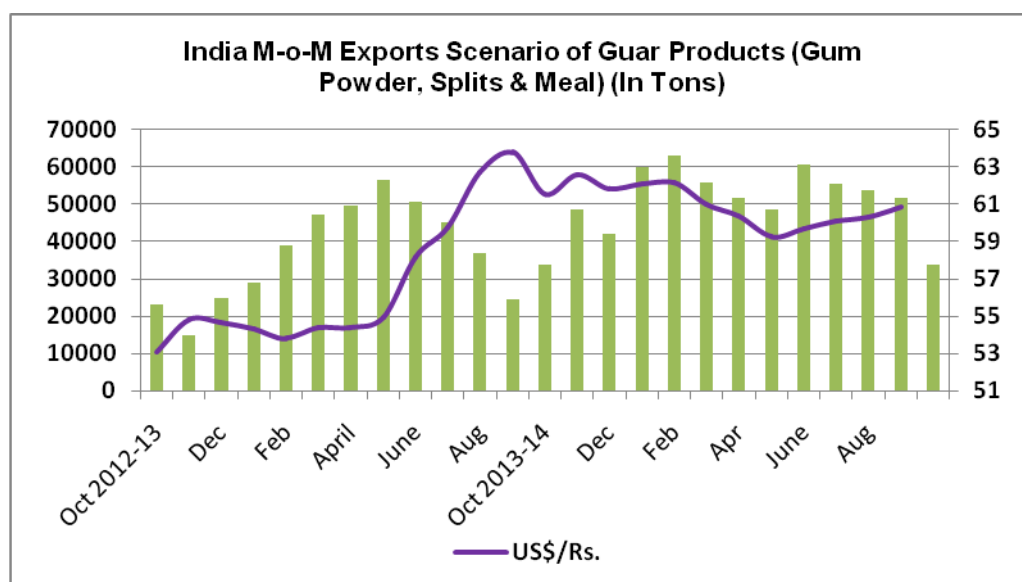
## Export and Import Scenario

China and US have started buying guar products which is showing in the recent months export figures. However, recent sharp decline in crude oil prices also decrease the guar gum demand from overseas.

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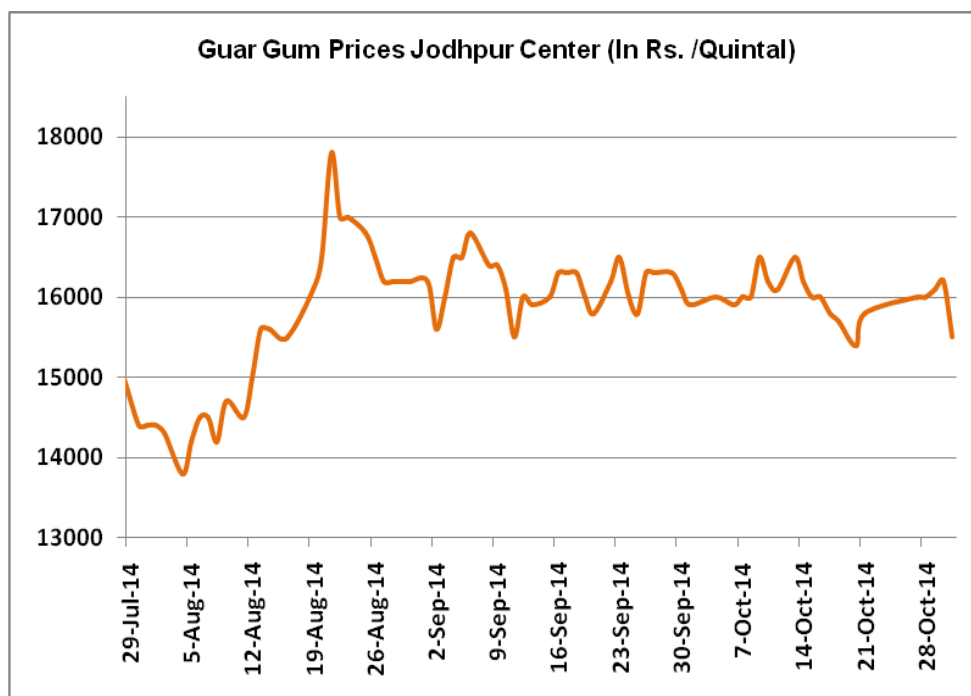
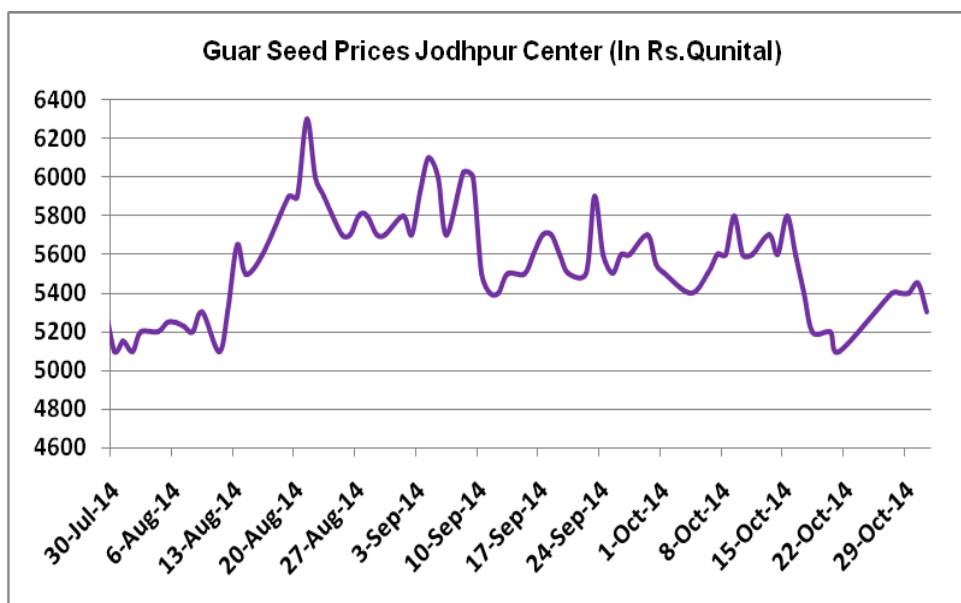
## Demand Side of Guar and Guar Gum:

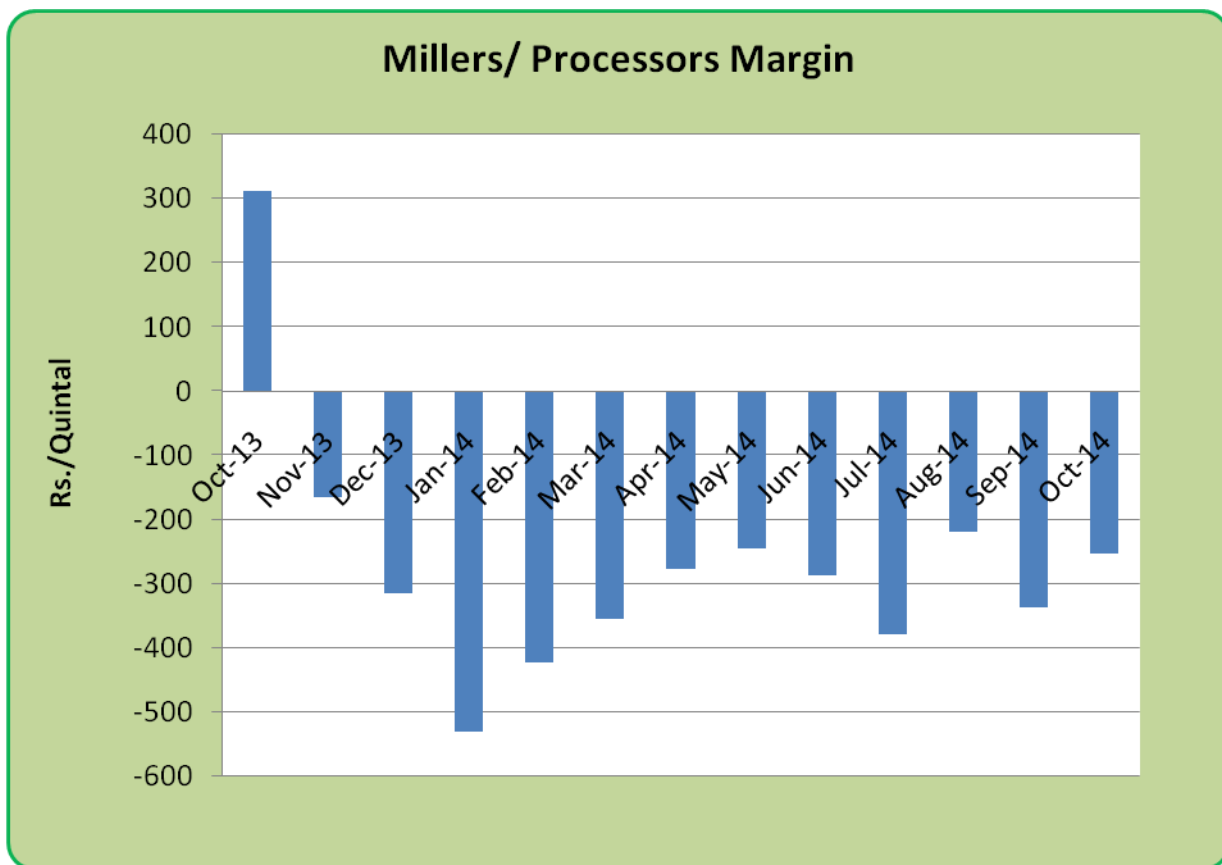
On export front, demands of guar products have decreased in October in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Below are the Rupee Monthly movement and its impact on monthly guar products export figures.



## Price Scenario

Monthly average Guar seed and gum prices declined month-on-month basis in Jodhpur market. The average monthly price of guar seed for Oct declined by 3% to Rs.5483/Qtl and that of guar gum improved by 1% to Rs.15990/Qtl in comparison with the month of Oct 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 Oct 2014, average crush margin stood at Rs. -253/Quintal which were -337 per quintal last month. Higher decrease of decrease in guar seed prices compared to guar gum prices led the processing margin decline in Oct 2014.

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

Commodity	Centre	14-Oct	14-Sept	Change
<b>Churi</b>	Jodhpur	907	925	<b>-18</b>
<b>Korma</b>	Jodhpur	1281	1267	<b>14</b>
<b>Churi</b>	Sri-Ganganagar	860	893	<b>-33</b>
<b>Korma</b>	Sri-Ganganagar	1219	1223	<b>-4</b>
<b>Prices in Rs/75kg</b>				

**Guar Export Monthly Average Prices:**

Commodity	Variety	14-Oct	14-Sept	Change
<b>Guargum Split</b>		2641	2562	<b>79</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	2970	2898	<b>72</b>

	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-Oct	14-Sept	
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-Oct	14-Sept	
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: C1 Continuous Chart**

**Exchange: NCDEX**

### Guar Seed Continuous Chart

#### Technical Commentary:

- Prices are showing bearishness from current levels as chart depicts.
- Closing below Rs. 4700 level by downward would take the prices down to Rs 4220.
- 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 from support level

Positional Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	C1	3320	4220	5463	5873	6044
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1	Buy	Below 5000	5500	5800	4680

**Commodity: Guar Gum**  
**Contract: C1 Continuous Chart**

**Exchange: NCDEX**

### Guar Gum Continuous Chart

#### Technical Commentary:

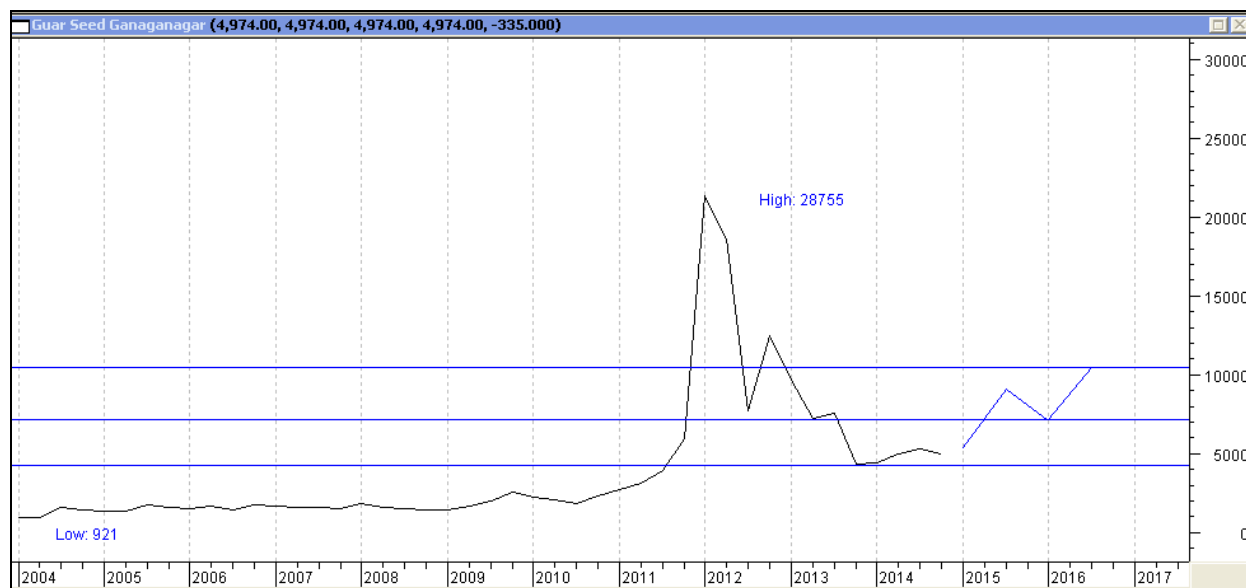
- Guar gum prices are hovering in an sideways trend.
- RSI is moving down near to neutral region.
- Last candlestick depicts bearishness in the prices.



**Strategy:** Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	C1	11580	13040	15130	16755	17480
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1	Buy	Above 14200	15200	15700	13600

### Spot Market Monthly Price Trend of Guar seed at Jodhpur



**Fig-1 – Guar Seed Monthly Spot Prices (Ganganagar)**

Guar Seed prices are currently moving in a range of Rs 4500-6500 from last 12 months. Currently, prices are trading at Rs 4974 per quintal (Ganganagar Center, Rajasthan). However, considering lower production estimate (1.9 million tons) compared to last year (3.09 million tons), prices are going to rise in the coming year.

Presently, prices are falling with new crop arrivals but it will start declining with December month from where prices will start its upward rally as per the expectations.

**Prices are likely to continue to trade firm in the coming month.**



### **Spot Market Outlook:**

Prices should move upwards for the long term considering lower production due to less rainfall at the time of sowing and unfavorable conditions at the time of pod formation which ultimately decline the yield especially in Gujarat and Haryana regions. In addition to it, increase US shale gas operations will increase the demand of guar gum ahead which also give some boost to the prices.

Also, this year farmers are not going to hold guar seed stock which ultimately give stockists and punters total hold of markets. Farmers are releasing guar seed stock and willing to hold cotton crop as reported.

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