

Highlights of the Month:

- Prices of guar seed and gum are continuously moving upside due to intact demand.
- OPEC countries in a meeting today says they will kept their crude oil production intact which will pressurize crude oil prices in the coming trading sessions. With prospects of declining crude oil prices, guar seed prices also will move downwards in the coming week as expected.
- Notbaly guar seed prices moves downwards in the month of June and July traditionally which also gives a clear idea that prices should move downwards.
- IMD and other weather forecasters see monsoon will hit Kerala coast within 24 hours. However, weak current of Monsoon is expected to set foot along kerala coast on 5th June.
- We expect guar seed prices to dip further upto Rs 4700 and then 4300 due to monsoon arrivals and weak fundamentals at current levels.
- Mills which are holding their gum stock on trading basis are the only survivor in this volatile guar market. Rest mills can't run their crushing operations due to negative margins.

Current Market Dynamics

Guar seed average prices improved last month due to speculation and good demand from food industry. Also, lower monsoon forecast by IMD also fire the prices up.

In the major Jodhpur market, arrivals were reported around 3630 bags of guar seed last month which was around 4060 bags prior month.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (29100 bags) compared to prior month i.e. 21050 bags.

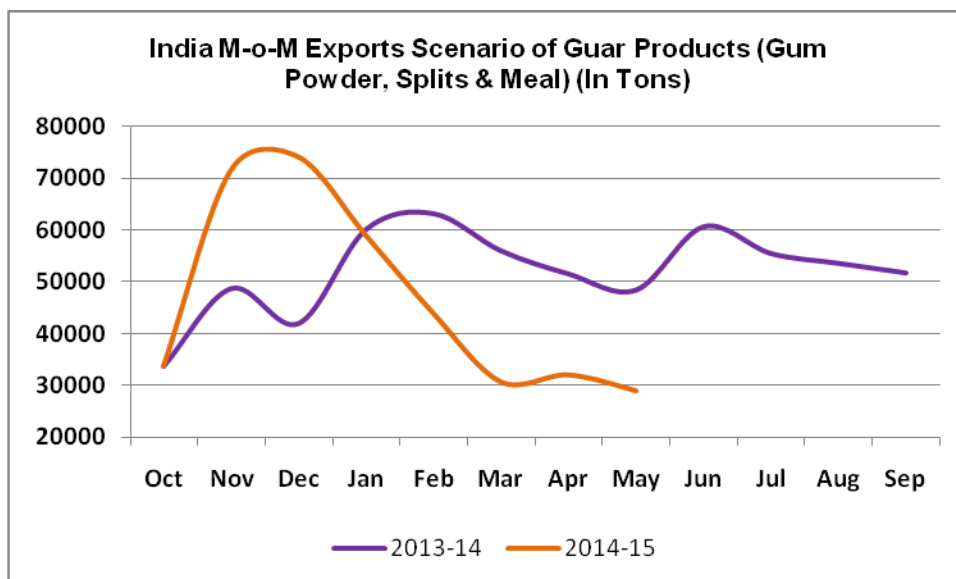
Export and Import Scenario

India has exported 29088 tons of Guar Products (Gum, Splits & Meal) in the month of May 2015 which is lower export figures compared to last year. Out of the total guar exports, 5243 tons of Guar gum, 4042 tons of Splits and 22689 tons of Guar splits exported in May 2015. Notably, recent month guar exports fell by 40% compared to last year same period guar exports. Weak demand of guar gum overseas mainly due to falling crude oil prices led the gum exports down in the last couple of months. Falling rig count and new shale gas explorations also become the major influencing factor for recent decline in guar gum exports.

Demand Side of Guar and Guar Gum:

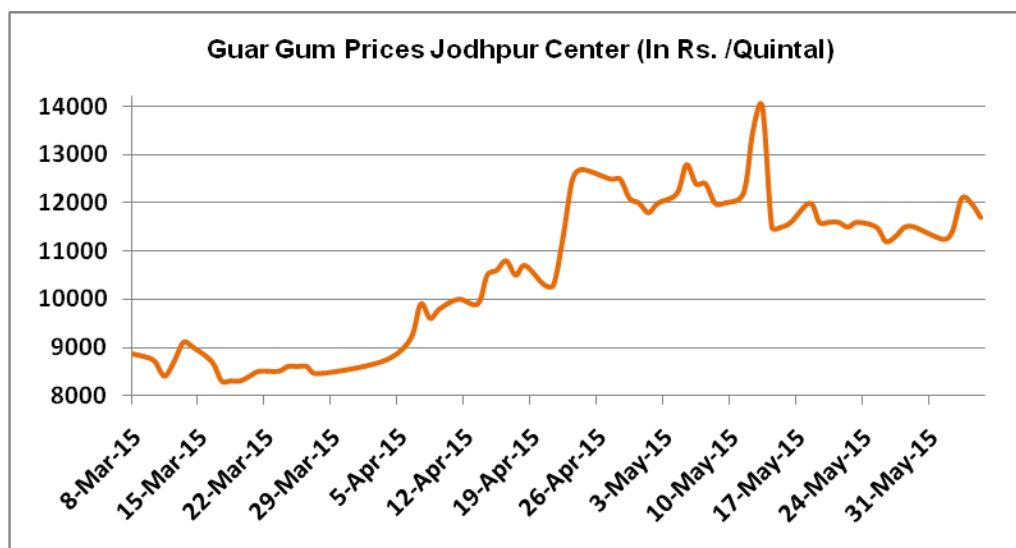
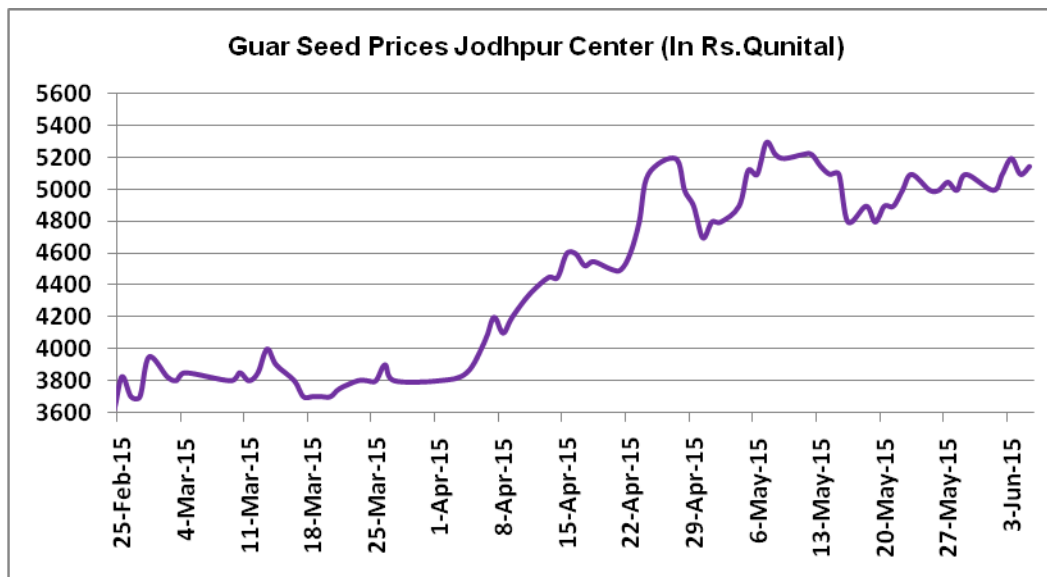
On export front, demands of guar products have decreased in May. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

Below are the Rupee Monthly movement and its impact on monthly guar products export figures.

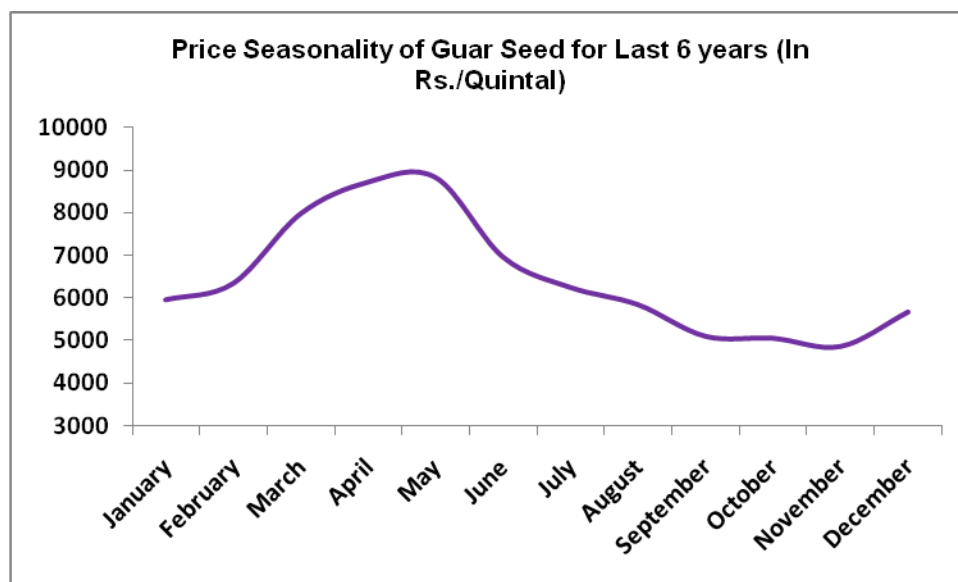


Price Scenario

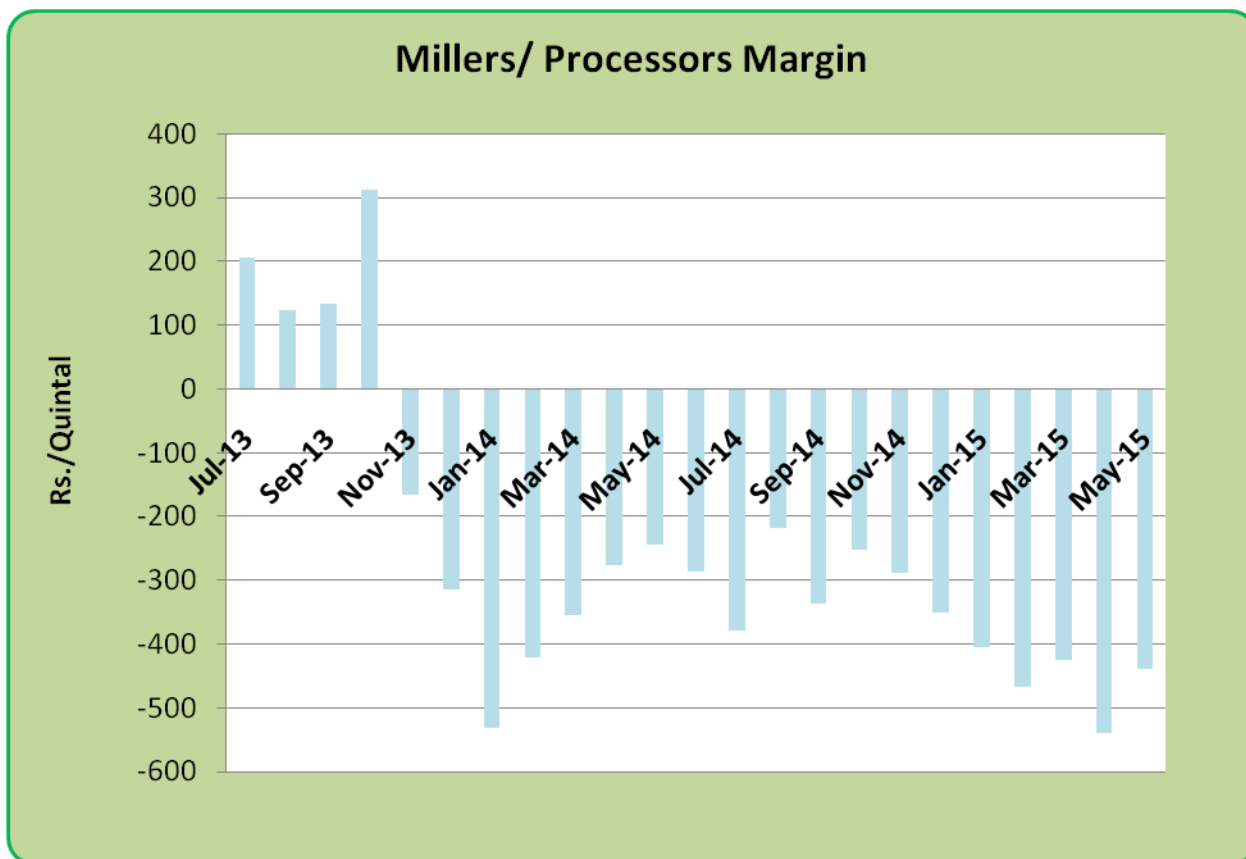
Monthly average Guar seed and gum prices improved month-on-month basis in Jodhpur market. The average monthly price of guar seed for May increased by 11.8% to Rs.5032/Qtl and that of guar gum improved by 11.8% to Rs.11952/Qtl compared to last month. The graph below illustrates the monthly average price movement of guar seed and guar gum in Jodhpur market.



Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed above for last 6 years, prices of guar seed makes peak in the month of April mid to May starting due to good demand and less arrivals pressure in the markets. However, after that prices fall due to weak demand.

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 May 2015, average crush margin stood at Rs. -439/Quintal which were -540 per quintal last month. Increase in prices of Churi and Korma led the margin up.

Guar by – Products Monthly Average Prices:

Commodity	Centre	May-15	April-15	Change
Churi	Jodhpur	1518	1503	15
Korma	Jodhpur	1900	1784	116
Churi	Sri-Ganganagar	1497	1426	71
Korma	Sri-Ganganagar	1918	1744	174
Prices in Rs/75kg				

Guar Export MonthlyAverage Prices:

Commodity	Variety	May-15	April-15	Change
Guargum Split		1854	1723	131
Guargum Powder	200 Mesh 5000 CPS	2145	2042	103

	200 Mesh 3500 CPS	2072	1962	110
Guargum Meal	40%	325	319	6
	50%	409	377	32
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)		Change
	Guar Seeds	May-15	April-15	
Rajasthan	Jodhpur (Loose)	4840	4276	564
	Jodhpur(Delivery)	5030	4501	529
	Sri-Ganganagar(Loose)	4705	4301	404
	Sri-Ganganagar (Delivery)	4905	4491	414
	Nagaur (Loose)	4762	4450	312
	Alwar (loose)	4609	4259	350
	Churu (Delivery)	4807	4471	336
	Bikaner (Loose)	4771	4360	411
	Bikaner (Delivery)	4956	4527	429
	Khajuwala Bikaner (Loose)	4781	4331	450
	Khajuwala Bikaner(Delivery)	4973	4522	451
	Nokha(Loose)	4777	4377	400
	Nokha (Delivery)	4949	4535	414
	Hanumangarh (Loose)	NA	4077	-
	Hanumangarh (Delivery)	NA	4257	-
Haryana	Adampur (Loose)	4768	4407	361
	Adampur (Delivery)	4953	4580	373
	Sirsa (Loose)	4730	4283	447
	Bhiwani (Delivery)	4939	4494	445
	Dhabwali (Loose)	4581	4105	476
	Dhabwali (Delivery)	4761	4279	482
	Siwani (Loose)	4895	4451	444
	Ellanabad (Loose)	4792	4379	413
Gujarat	Deesa (Loose)	4505	3550	955
	Patan (Loose)	4499	4505	-6
	Rajkot (Loose)	4541	4332	209
	Dhrol(loose)	4437	4036	401
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	12232	10705	1527

	Alwar	11696	10710	986
Haryana	Sirsa	11682	10600	1082
	Bhiwani	11488	10290	1198
	Dhabwali	11323	9721	1602
	Ellanabad	11690	10677	1013

Guar Cumulative Arrivals in Key Centers

Centre	Monthly Arrivals (Quintals)			Change
		May-15	April-15	
Rajasthan	Jodhpur	3630	4060	-430
	Sri-Ganganagar	21400	22900	-1500
	Nagaur	6300	4650	1650
	Alwar	10800	13770	-2970
	Churu	14400	21200	-6800
	Bikaner	17200	13200	4000
	Khajuwala Bikaner	10900	12250	-1350
	Nokha	2700	6950	-4250
	Hanumangarh	NA	1400	-
Haryana	Adampur	29100	21050	8050
	Sirsa	22180	13300	8880
	Bhiwani	26300	32500	-6200
	Dhabwali	2925	2745	180
	Siwani	16500	19500	-3000
	Ellanabad	6645	5960	685
Gujarat	Deesa	245	20	225
	Patan (Loose)	1298	20	1278
	Rajkot	12255	4500	7755
	Dhrol	1883	23	1860
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		206661	199998	6663

Commodity: Guar Seed
Contract: C1 Continuous Chart

Exchange: NCDEX

Guar Seed Continuous Chart

Technical Commentary:

- Prices are showing upside correction from lower levels.
- Prices likely to test its trendline support levels.
- Last candlestick depicts bearishness.
- Breach of Rs 5700 level would take the prices up to Rs 6700-7000.
- RSI is moving up to neutral region.



Strategy: Sell

Positional Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	C1	3535	4275	4950	6271	7015
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1	Sell	Below 5300	4600	4300	5720

Commodity: Guar Gum
Contract: C1 Continuous Chart

Exchange: NCDEX

Guar Gum Continuous Chart

Technical Commentary:

- Guar gum prices moved in a range.
- Prices tested its upper trendline which act as a resistance.
- RSI is moving up near to neutral region.
- Last candlestick depicts bearishness in the prices.



Strategy: Buy from support level.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	C1	8000	9435	11020	14424	15200
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1	Sell	Below 11800	10600	10000	12500

Spot Market Outlook:

Guar prices rebound from low levels and now trading in a range. Monsoon precipitations in the next month will decide the future of guar prices. However, as per IMD and various other weather forecasters, monsoon rainfall would be less this year which could spark up the prices in the medium term.

Meanwhile, current fundamentals of guar seed are not encouraging due to less export compared to prior years. We expect some downfall in guar seed and gum prices in next month.

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