

Highlights of the Month:

- Prices of guar seed and gum again followed downside movement due to lacklustre demand and higher sowing estimates especially from Haryana.
- On export front, guar gum export is continuously declining M-o-M as well as Y-o-Y basis. Lower demand from foreign buyers due to falling crude oil prices decline the charm of guar seed at present.
- Farmers in Haryana have increased guar sowing in their respective fields amid good rainfall last month. Lower remuneration in Kapas and lower labour and cost of cultivation in guar seed crop urge farmers of Haryana to shift towards guar seed.
- As per our short survey, farmers in Rajasthan have shown their interest to sow guar seed in their respective fields if rainfall occurred on time. This year farmers are sowing less bajra crop as reported and there is no time left for bajra sowing which ultimately shift the area towards Guar seed and Moong dal.
- Guar seed sowing have started in Haryana and irrigated areas of Rajasthan like Ganganagar and Hanumangarh and sowing is likely to increase in these respective areas compared to last year. Guar seed crop is likely to replace the cotton crop which is a substitute crop of guar seed in these regions.

Current Market Dynamics

Guar seed average prices declined last month due to weak demand of guar seed from overseas and good rainfall in parts of Rajasthan and Haryana which boost the guar seed sowing.

In Ganganagar market, arrivals were reported around 17400 bags of guar seed last month which was around 21400 bags prior month.

Also in Adampur (Haryana) market, the biggest market of guar in North reported higher arrivals (32600 bags) compared to prior month i.e. 29100 bags.

Export and Import Scenario

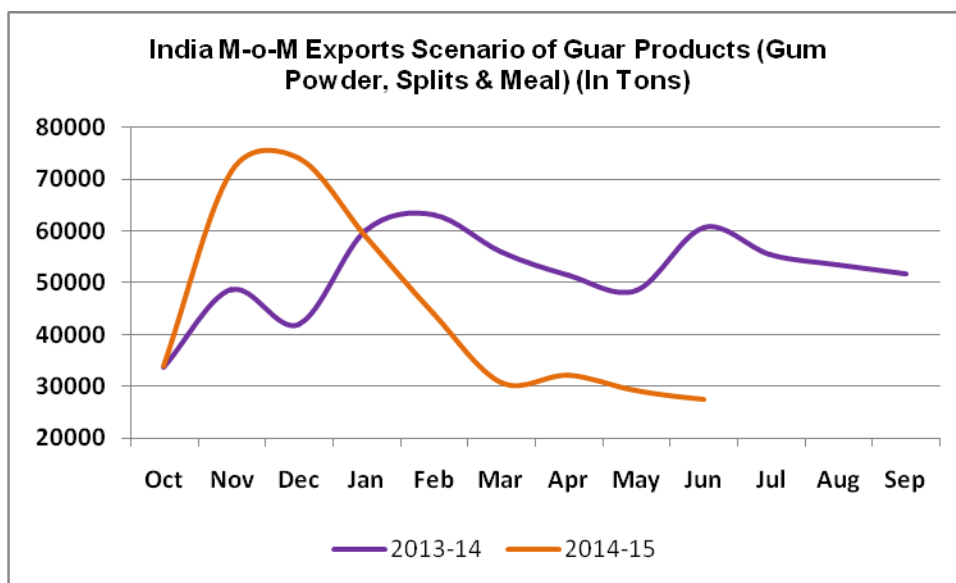
India has exported 27585 tons of Guar Products (Gum, Splits & Meal) in the month of June 2015 which is lower export figures compared to last year. Out of the total guar exports, 18330 tons of Guar gum, 4160 tons of Splits and 5095 tons of Guar splits exported in June 2015.

Notably, recent month guar exports fell by 55% compared to guar exports during same period last year. . 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 are also 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 June. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

Below are the monthly guar products exports month wise and its comparison to last year month wise guar products exports.



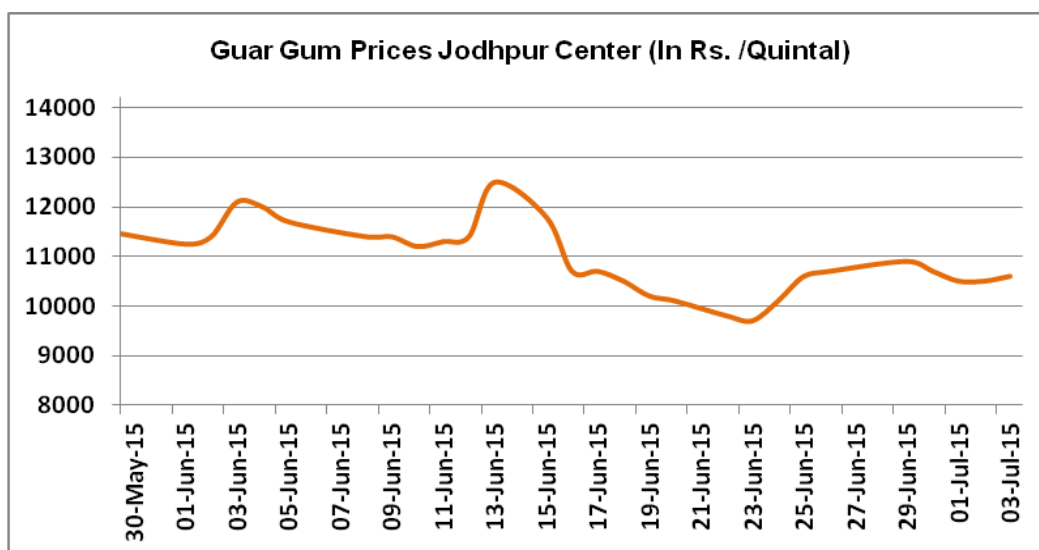
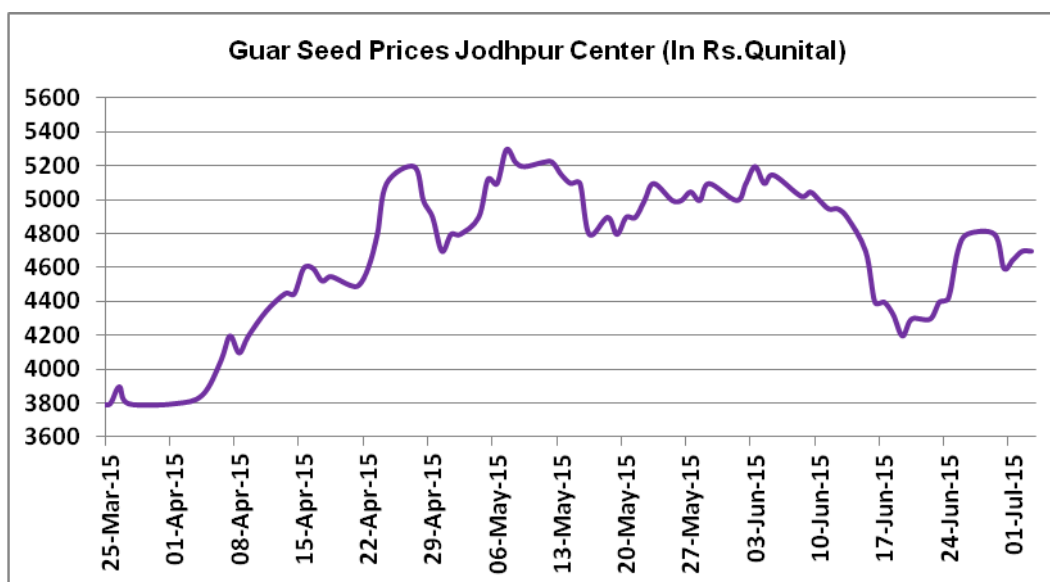
Sowing Update:

Guar seed has already started in Haryana, Punjab, parts of Rajasthan and Gujarat. Good amount of precipitation especially in Haryana urge farmers to plant guar seed in their respective fields.

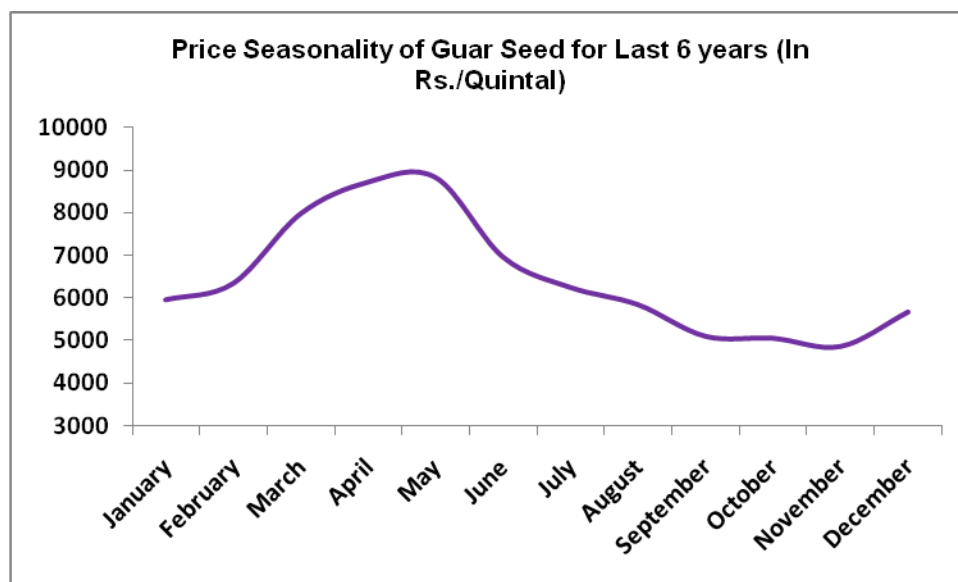
In case of Rajasthan, irrigated areas like Ganganagar and Hanumangarh districts reported good rainfall resulting in increase in guar seed sowing. In Central Rajasthan, farmers are declining bajra sowing this year and have shifted towards guar seed as reported. The region still needs rainfall for further sowing as less rainfall occurred.

Price Scenario

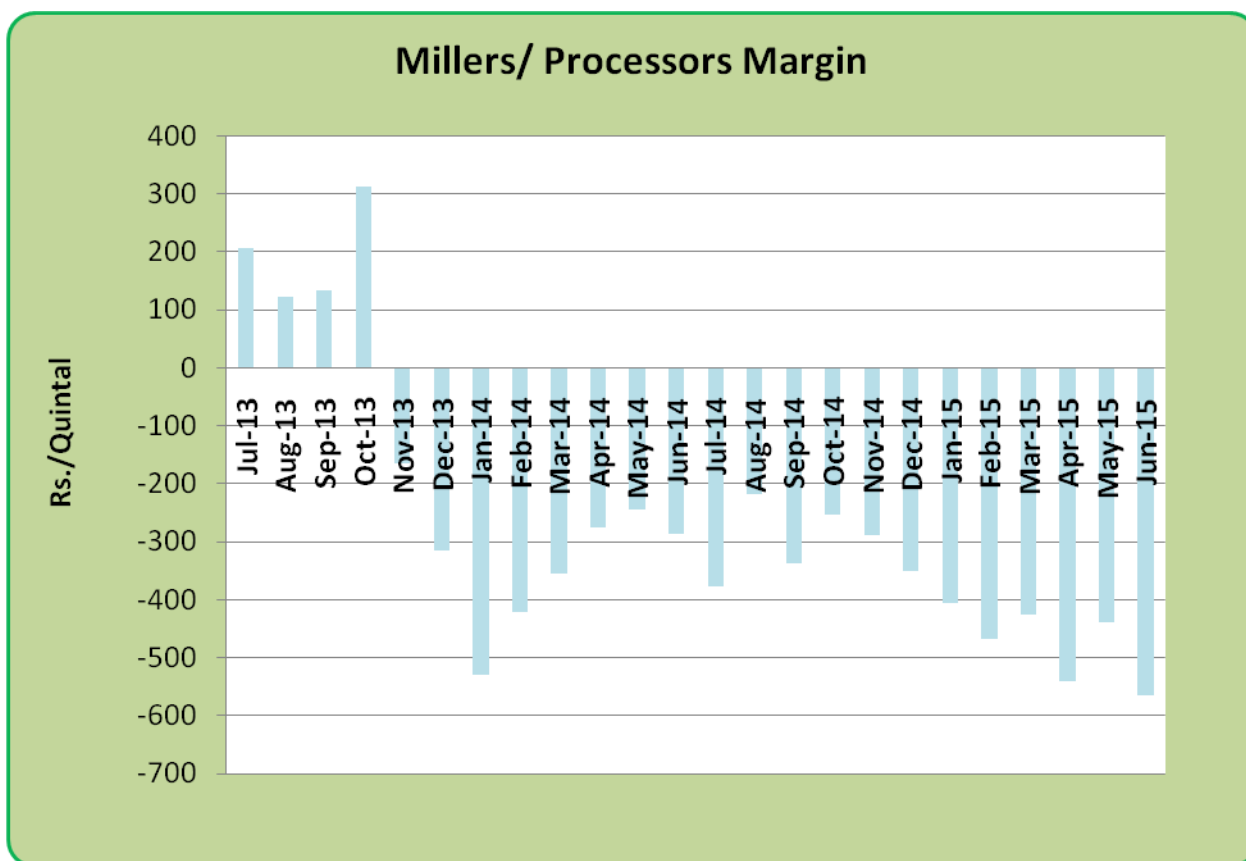
Monthly average Guar seed and gum prices declined month-on-month basis in Jodhpur market. The average monthly price of guar seed for June declined by 6% to Rs.4740/Qtl and that of guar gum declined by 8% to Rs.11006/Qtl compared to last month. The graph below illustrates the monthly average price movement of guar seed and guar gum in Jodhpur market.



Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed 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 June 2015, average crush margin stood at Rs. -566/Quintal which were -439 per quintal last month. Higher degree of decline in guar gum prices compared to guar seed prices and sharp decline in Churi and Korma prices led the margin down last month.

Guar by – Products Monthly Average Prices:

Commodity	Centre	15-Jun	15-May	Change
Churi	Jodhpur	1515	1518	-3
Korma	Jodhpur	1824	1900	-76
Churi	Sri-Ganganagar	1395	1497	-102
Korma	Sri-Ganganagar	1809	1918	-109
Prices in Rs/75kg				

Guar Export Monthly Average Prices:

Commodity	Variety	15-Jun	15-May	Change
Guargum Split		1726	1854	-128
Guargum Powder	200 Mesh 5000 CPS	2040	2145	-105

	200 Mesh 3500 CPS	1961	2072	-111
Guargum Meal	40%	317	325	-8
	50%	362	409	-47
Prices in \$/MT				

Commodity	Centre	Monthly Prices (Average)		Change
	Guar Seeds	15-Jun	15-May	
Rajasthan	Jodhpur (Loose)	4547	4840	-293
	Jodhpur(Delivery)	4757	5030	-273
	Sri-Ganganagar(Loose)	4406	4705	-299
	Sri-Ganganagar (Delivery)	4607	4905	-298
	Nagaur (Loose)	4303	4762	-459
	Alwar (loose)	4312	4609	-297
	Churu (Delivery)	4485	4807	-322
	Bikaner (Loose)	4437	4771	-334
	Bikaner (Delivery)	4604	4956	-352
	Khajuwala Bikaner (Loose)	4436	4781	-345
	Khajuwala Bikaner(Delivery)	4614	4973	-359
	Nokha(Loose)	4421	4777	-356
	Nokha (Delivery)	4580	4949	-369
	Hanumangarh (Loose)	4295	NA	-
	Hanumangarh (Delivery)	4497	NA	-
Haryana	Adampur (Loose)	4441	4768	-327
	Adampur (Delivery)	4630	4953	-323
	Sirsa (Loose)	4358	4730	-372
	Bhiwani (Delivery)	4570	4939	-369
	Dhabwali (Loose)	4323	4581	-258
	Dhabwali (Delivery)	4523	4761	-238
	Siwani (Loose)	4522	4895	-373
	Ellanabad (Loose)	4425	4792	-367
Gujarat	Deesa (Loose)	4226	4505	-279
	Patan (Loose)	4383	4499	-116
	Rajkot (Loose)	4355	4541	-186
	Dhrol(loose)	4167	4437	-270
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	11034	12232	-1198
	Alwar	10891	11696	-805

Haryana	Sirsa	10768	11682	-914
	Bhiwani	10875	11488	-613
	Dhabwali	10876	11323	-447
	Ellanabad	10863	11690	-827

Guar Cumulative Arrivals in Key Centers

Centre	Monthly Arrivals (Quintals)			Change
		15-Jun	15-May	
Rajasthan	Jodhpur	550	3630	-3080
	Sri-Ganganagar	17400	21400	-4000
	Nagaur	7050	6300	750
	Alwar	6400	10800	-4400
	Churu	8400	14400	-6000
	Bikaner	11800	17200	-5400
	Khajuwala Bikaner	8900	10900	-2000
	Nokha	5400	2700	2700
	Hanumangarh	2925	NA	-
Haryana	Adampur	32600	29100	3500
	Sirsa	18900	22180	-3280
	Bhiwani	34300	26300	8000
	Dhabwali	5665	2925	2740
	Siwani	15000	16500	-1500
	Ellanabad	8975	6645	2330
Gujarat	Deesa	4043	245	3798
	Patan (Loose)	2716	1298	1418
	Rajkot	10620	12255	-1635
	Dhrol	309	1883	-1574
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		201953	206661	-4708

Commodity: Guar Seed
Contract: C1 Continuous Chart

Exchange: NCDEX

Guar Seed Continuous Chart

Technical Commentary:

- Prices are downward correction.
- Prices likely to test its near support levels.
- Last candlestick depicts bearishness.
- Breach of Rs 4000 level would take the prices up to Rs 3560-3200.
- RSI is moving up to near to neutral region.



Strategy: Sell

Positional Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	C1	3320	3535	4455	5403	5700
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1	Sell	Below 4400	3800	3600	4760

Commodity: Guar Gum
Contract: C1 Continuous Chart

Exchange: NCDEX

Guar Gum Continuous Chart

Technical Commentary:

- Guar gum prices moved in a range with weak tone.
- RSI is moving up near to neutral region.
- Last candlestick depicts bearishness in the prices.



Strategy: Sell.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	C1	5800	7800	10440	11900	13140
Intraday Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1	Sell	Below 10600	9600	8900	11200

Spot Market Outlook:

Guar prices again tumbled down towards its recent lows due to weak demand and higher sowing estimates especially in Haryana. However, major rain fed area of Rajasthan is still left for guar seed sowing due to lack of rainfall but sowing can be done in mentioned region in the later half of the July also if rainfall occurred.

Considering falling crude oil prices and weak demand, we expect prices to dip down further towards its recent lows.

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>

© 2015 Indian Agribusiness Systems Pvt Ltd.