

Domestic Market Recap:

- Guar seed and gum prices surge last week after consecutive weeks fall in the prices. Lower arrivals in the market due to fog conditions and spur buying by stockists led the prices up.
- Guar seed prices seems to test 5000 level in the coming days. However, the overall sentiments remained bearish at present.
- Still there is no processing margin for guar processors and millers due to lower Churi and Korma prices.
- India exported 12717 tons of guar products collectively including powder, splits and meal in the third week of December 2013. This takes the overall guar exports to 53000 tons approx. in this month till date.
- Rupee appreciation against dollar last week decrease the overall export parity of guar seed as reported.

Current Market Dynamics

Guar prices are presently moving in a short trading range. Farmers are not able to bring their guar stocks in the markets due to Cold wave in Rajasthan and Haryana.

There is a gossip in the market that some stockists have started buying guar at current prices as they haven't able to find any other lucrative commodity at this point of time. It may push guar market slightly up.

However, overall sentiments remained bearish considering higher production, lower export scenario and last year higher carry over stocks of guar seed.

As far as arrivals are concerned, All India arrivals stood at 405000 bags during last week which was 370000 bags at prior week.

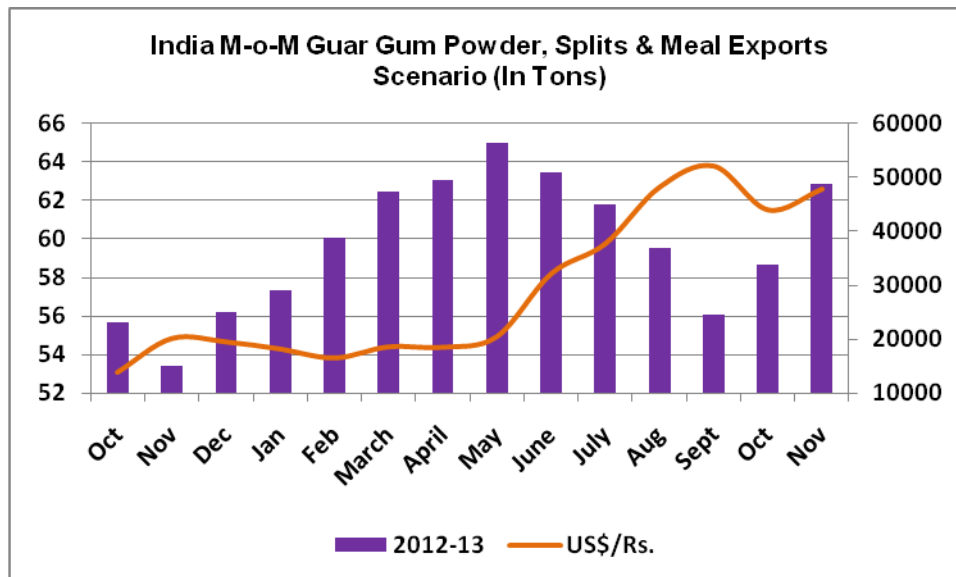
Export and Import Scenario

Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

Around 48713 tons of guar gum (Splits and powder) exported to various countries in November month 2013 as reported. It is notable that India has exported 48713 tons of guar gum (Splits and Powder) in October month 2013.

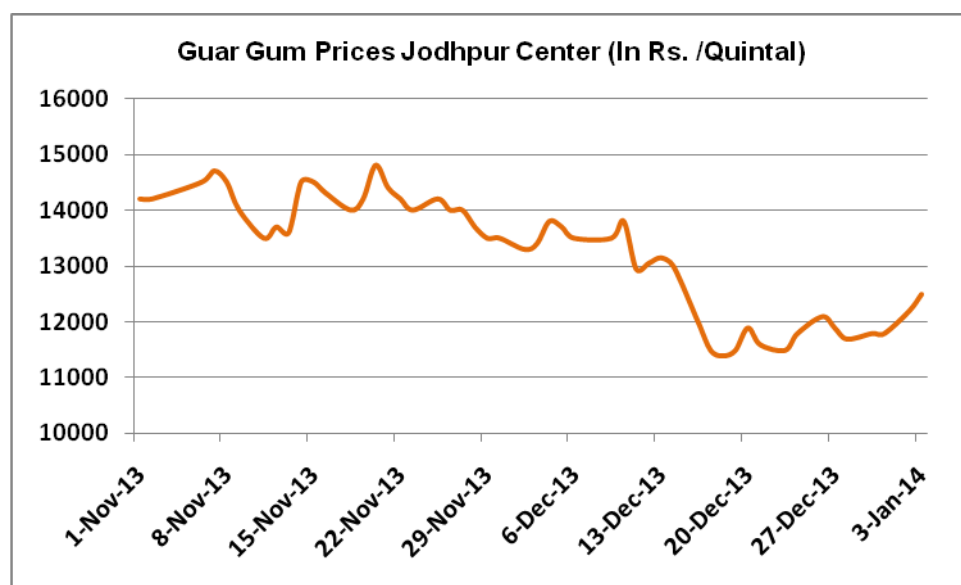
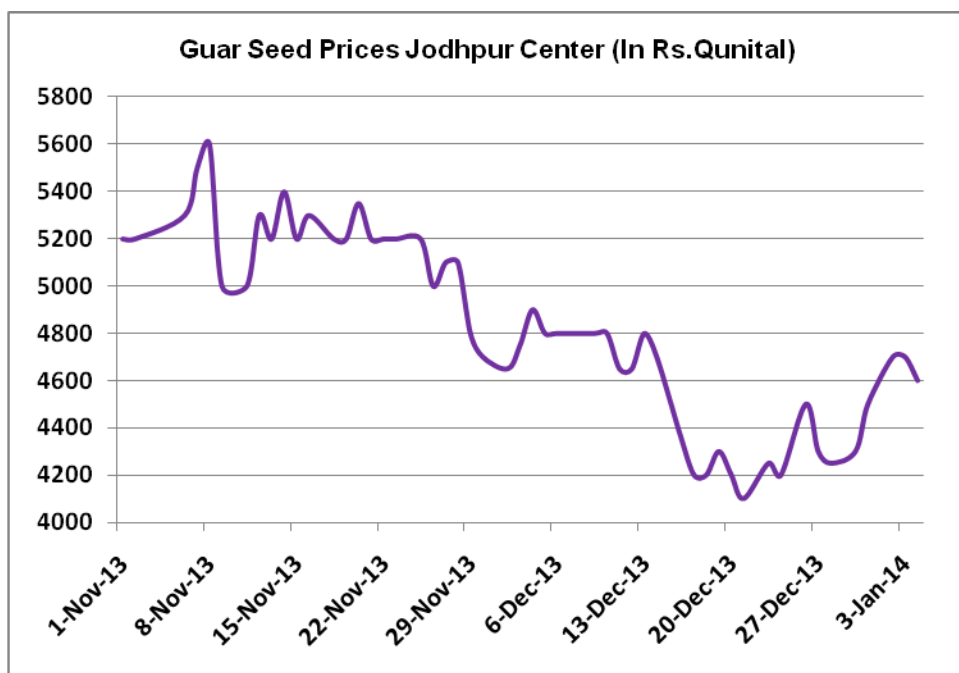
Demand Side of Guar and Guar Gum:

It is notable that guar prices are falling owing to weak domestic demand. Higher crop expectations of Summer crop led the prices downwards.

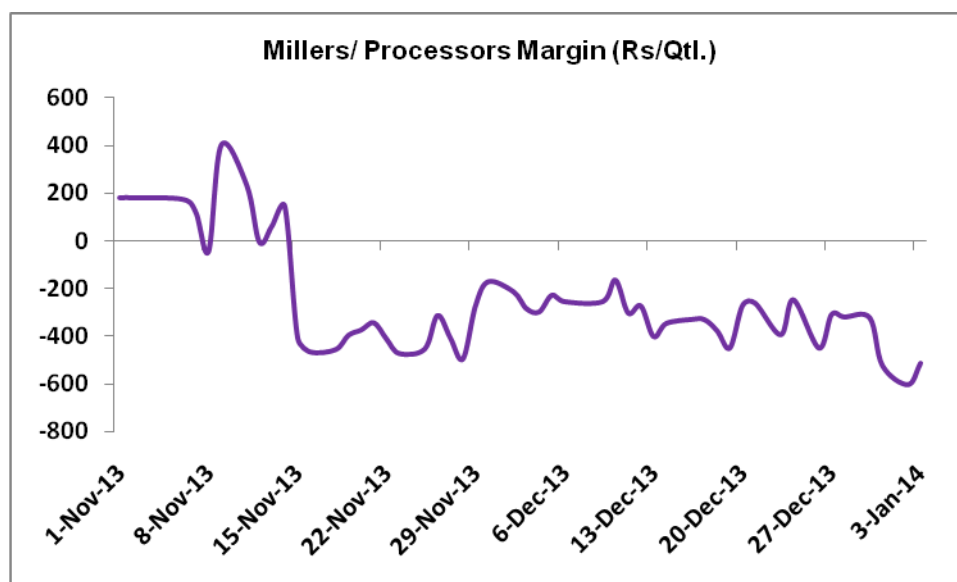


Price Scenario

Guar seed weekly average prices improved during the week. In the first week of January, the average price of guar seed improved by 5% to Rs.4490/Qtl compared to prior week. Also, guar gum prices improved last week by 2% to Rs.12000/Qtl compared to previous week. The graph below illustrates the weekly 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 week. In the fourth week of December 2013, average crush margin stood at Rs. -455/Quintal which was -331.3 per quintal last week. Decrease in Churi and korma prices and higher degree of increase in guar seed prices compared to gum prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	28th Dec-3rdJan14	21th-27th Dec13	Change
Churi	Jodhpur	825	800	25
Korma	Jodhpur	1190	1130	60
Churi	Sri-Ganganagar	830	820	10
Korma	Sri-Ganganagar	1140	1060	80
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	28th Dec-3rdJan14	21th-27th Dec13	Change
Guargum Split		1967	1936	31
Guargum Powder	200 Mesh 5000 CPS	2612	2582	30
	200 Mesh 3500 CPS	2451	2420	31
Guargum Meal	40%	244	256	-12

	50%	312	328	-16
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		28th Dec-3rdJan14	21th-27th Dec13	
Rajasthan	Jodhpur (Loose)	4300	4032	268
	Jodhpur(Delivery)	4490	4270	220
	Sri-Ganganagar(Loose)	4365	4210	155
	Sri-Ganganagar (Delivery)	4510	4345	165
	Nagaur (Loose)	4110	4049	61
	Alwar (loose)	4050	3950	100
	Churu (Delivery)	4400	4260	140
	Bikaner (Loose)	4370	4172	198
	Bikaner (Delivery)	4520	4360	160
	Khajuwala Bikaner (Loose)	4336	4200	136
	Khajuwala Bikaner(Delivery)	4509	4368	141
	Nokha(Loose)	4200	4180	20
	Nokha (Delivery)	4370	4327	42
	Hanumangarh (Loose)	4385	4300	85
	Hanumangarh (Delivery)	4450	4390	60
Haryana	Adampur (Loose)	4380	4260	120
	Adampur (Delivery)	4560	4490	70
	Sirsa (Loose)	4360	4110	250
	Bhiwani (Delivery)	4440	4220	220
	Dhabwali (Loose)	4405	4240	165
	Dhabwali (Delivery)	4580	4440	140
	Siwani (Loose)	4435	4340	95
	Ellanabad (Loose)	4390	4320	70
Gujarat	Deesa (Loose)	4144	4132	12
	Patan (Loose)	4110	4076	34
	Rajkot (Loose)	4253	4306	-53
Madhya pradesh	Dabra (Loose)	3825	3800	25
Guar Gum				
Rajasthan	Jodhpur	12000	11780	220
	Alwar	12375	12400	-25
Haryana	Sirsa	12100	11400	700

	Bhiwani	12630	12300	330
	Dhabwali	12200	11840	360
	Ellanabad	12260	12000	260

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	3-Jan-14	27-Dec-13	3-Dec-13	3-Jan-13
Rajasthan	Jodhpur (Loose)	4500	4100	4450	13000
	Jodhpur(Delivery)	4700	4300	4750	14000
	Sri-Ganganagar(Loose)	4600	4200	4500	12800
	Sri-Ganganagar (Delivery)	4800	4350	4700	13200
	Nagaur (Loose)	4200	4020	4400	12800
	Alwar (loose)	4300	4100	4300	12500
	Churu (Delivery)	NR	4400	4900	12500
	Bikaner (Loose)	4500	4210	4500	12900
	Bikaner (Delivery)	4700	4400	4700	13400
	Khajuwala Bikaner (Loose)	4550	4300	4525	NR
	Khajuwala Bikaner(Delivery)	4732	4472	4706	NR
	Nokha(Loose)	4400	4200	4350	11800
	Nokha (Delivery)	4650	4350	4506	12360
	Hanumangarh (Loose)	4550	4350	4700	13300
	Hanumangarh (Delivery)	4600	4425	4900	13500
Haryana	Adampur (Loose)	4600	4350	4650	13000
	Adampur (Delivery)	4800	4550	4850	13250
	Sirsa (Loose)	4500	4350	4700	13000
	Bhiwani (Delivery)	4600	4300	4700	12700
	Dhabwali (Loose)	4625	4300	4500	12500
	Dhabwali (Delivery)	4750	4500	4700	13000
	Siwani (Loose)	4625	4400	4750	NR
	Ellanabad (Loose)	4600	4400	4625	NR
Gujarat	Deesa (Loose)	4250	4155	4410	12725
	Patan (Loose)	4275	4065	3750	12520
	Rajkot (Loose)	4145	4255	4750	12600
Madhya pradesh	Dabra (Loose)	4000	4000	4000	11500
Guar Gum					
Rajasthan	Jodhpur	12500	11900	13400	38000
	Alwar	NR	13000	13300	38000
Haryana	Sirsa	12500	12000	12300	37500

	Bhiwani	13000	12700	13500	37200
	Dhabwali	12500	12000	13500	38000
	Ellanabad	12600	12300	13600	NR

Guar Cumulative Arrivals in Key Centers

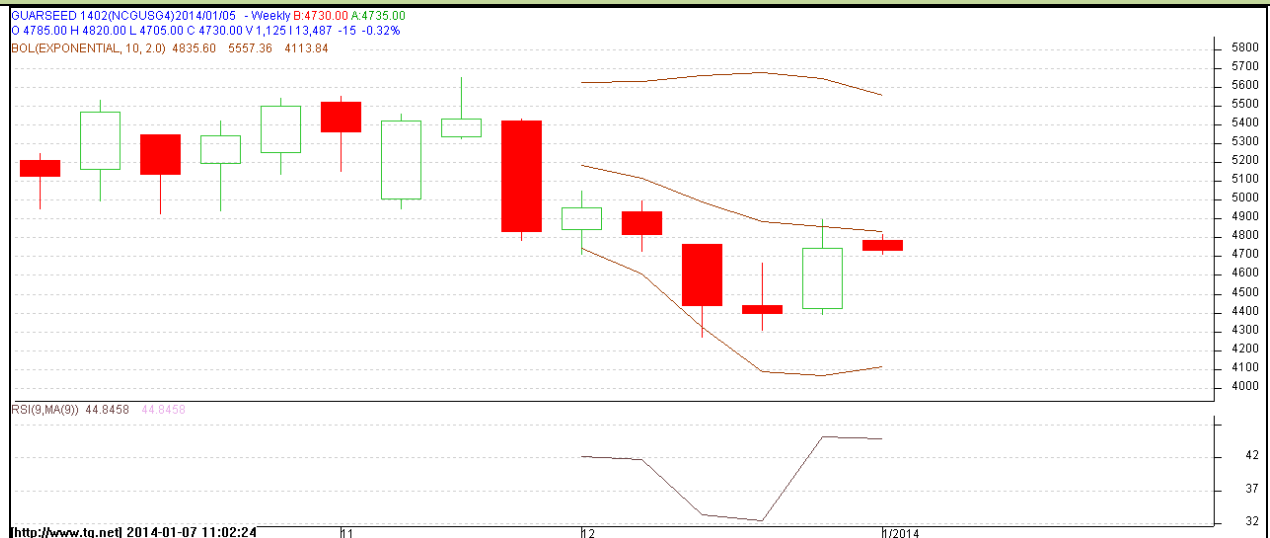
Centre	Weekly Arrivals (Quintals)			Change
		28th Dec-3rdJan14	21th-27th Dec13	
Rajasthan	Jodhpur	950	1050	-100
	Sri-Ganganagar	8000	8500	-500
	Nagaur	1200	1800	-600
	Alwar	10000	9700	300
	Churu	4500	6400	-1900
	Bikaner	7000	8000	-1000
	Khajuwala Bikaner	12000	9800	2200
	Nokha	2100	1800	300
	Hanumangarh	1250	1550	-300
Haryana	Adampur	12000	12500	-500
	Sirsa	9000	8200	800
	Bhiwani	1900	2500	-600
	Dhabwali	1350	1850	-500
	Siwani	9000	10000	-1000
	Ellanabad	4400	5500	-1100
Gujarat	Deesa	1974	2921	-947
	Patan (Loose)	4589	4486	103
	Rajkot	6020	5600	420
Madhya pradesh	Dabra	1200	3000	-1800
Total Arrival		98433	105157	-6724



Commodity: Guar Seed
Contract: February

Exchange: NCDEX
Expiry: Feb 20, 2013

Guar Seed (Weekly February Contract Chart)



Technical Commentary:

- Guar prices are getting technical correction to upside.
- Last candlestick depicts bullishness.
- Prices are likely to take some downward correction from where buying is advisable.

Strategy: Buy

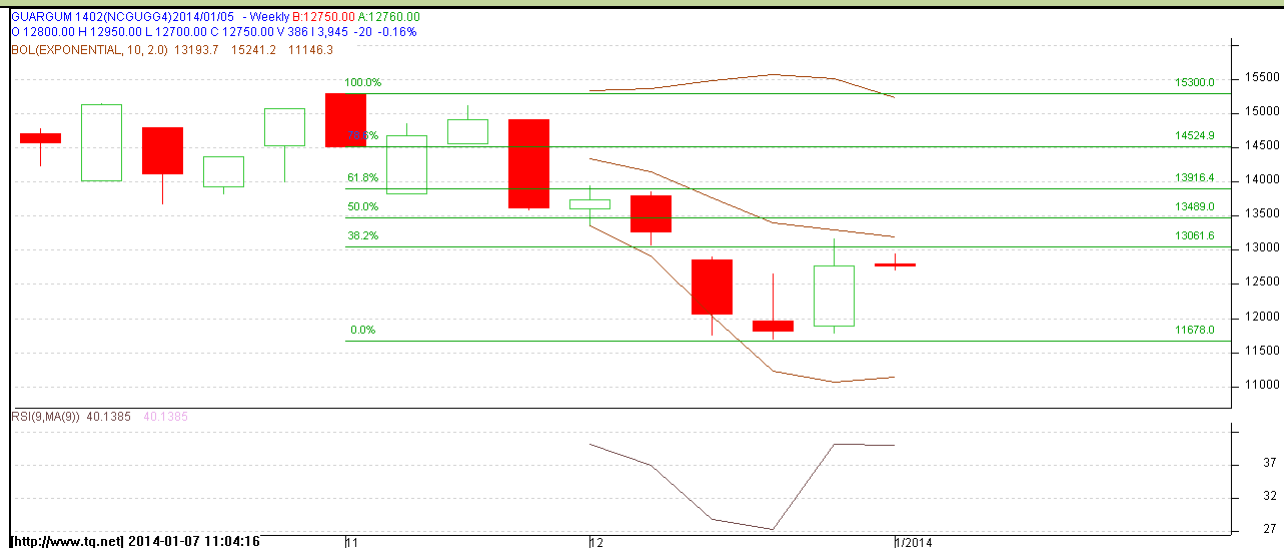
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Feb	4265	4400	4745	5120	5350
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb	Buy	Above 4600	4900	5050	4420



Commodity: Guar Gum
Contract: Feb

Exchange: NCDEX
Expiry: Feb 20, 2013

Guar Gum (Feb Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- However, RSI is hovering at neutral region.
- Last candlesticks depict bullishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Feb	11690	12000	12770	13910	14520
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	Buy	Above 12600	13400	13800	12150

Spot Market Technical Analysis of Guar seed & Guar gum



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

Guar seed prices are moving in a range with weak tone. However, prices might rebound from current level and likely to test its next resistance level i.e. Rs. 5000 supported by very short term fundamentals.



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

Prices of guar gum moved in a range with weak tone during last week. However, spot prices of guar gum should improve technically and likely to test its next resistance level Rs. 13600.

Prices are likely to move towards Rs.13600/Qtl levels in the short –term.

Spot Market Outlook:

As per our expectations, guar prices improved last week due to lower arrivals in the markets. Also, punters would try to pull the market upwards to offload the stocks build up at lower levels.

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