

Domestic Market Recap:

- Prices of guar seed declined due to higher arrivals compared to prior week. Prices fall in spot markets amid fall in prices in NCDEX platform. Stockists are create artificial panic in the market in order to increase the guar arrivals from farmers in the market. This move gives clear indication that stockists are trying to build their guar stocks at lower levels as expected.
- Prices of guar seed likely to test Rs. 4000 per quintal in the coming period.
- It is notable that Ruchi soy and Hindustan Guar gum is most active in procuring guar stocks at present from various mandis. Any export enquiry from China or US would give the guar (seed, gum and split) prices support.
- Meanwhile, the big traders and farmers who have invested their own money (and money taken on interest) are not willing to release their guar stocks in the open market at present rates.

Current Market Dynamics

Guar prices are presently moving in a short trading range with weak tone.

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, Jodhpur market arrivals stood at 1510 bags during last week which was 1440 bags last week.

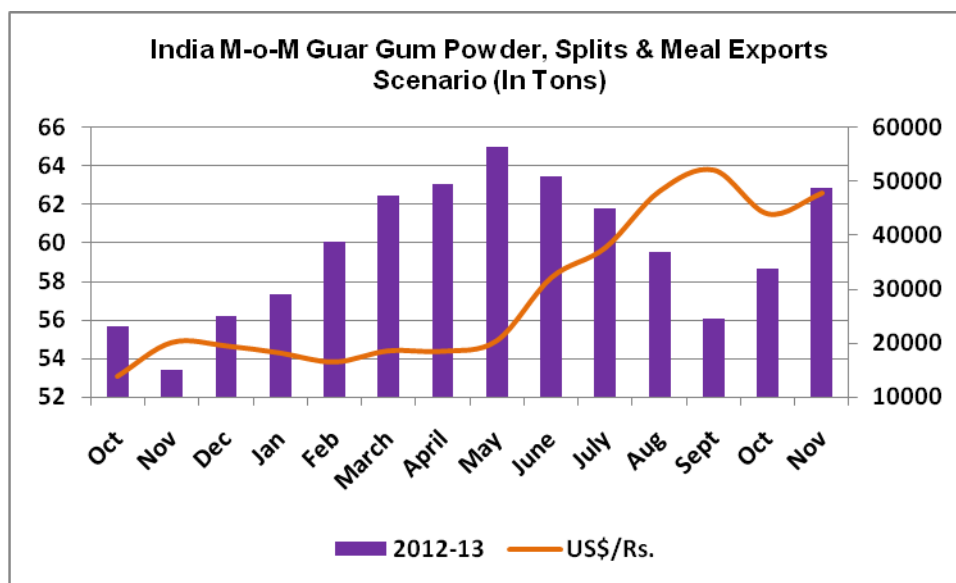
Export and Import Scenario

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.

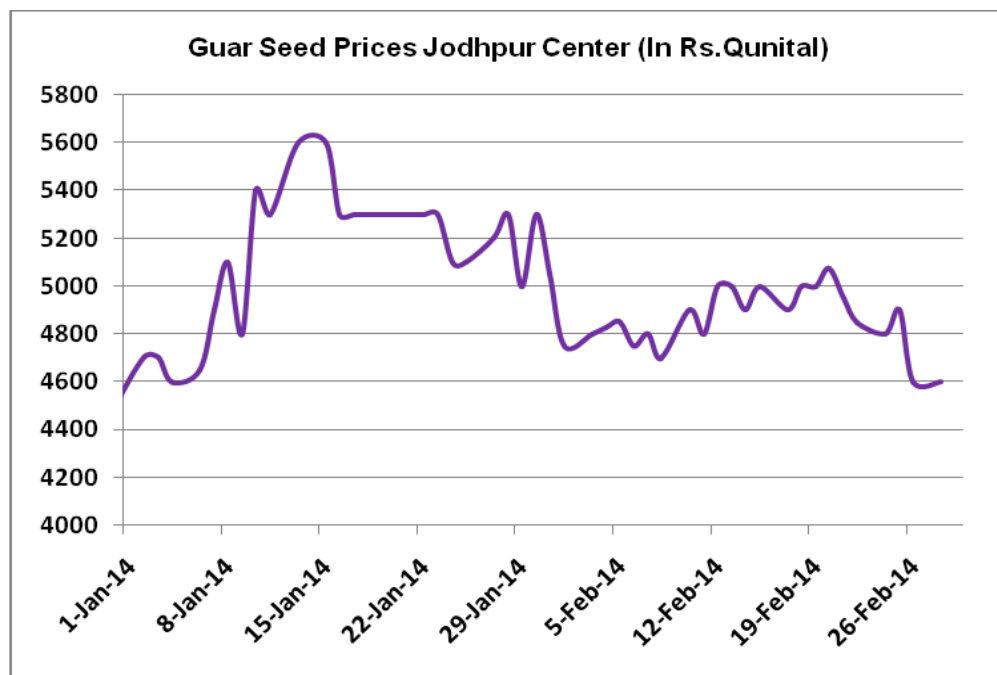
Demand Side of Guar and Guar Gum:

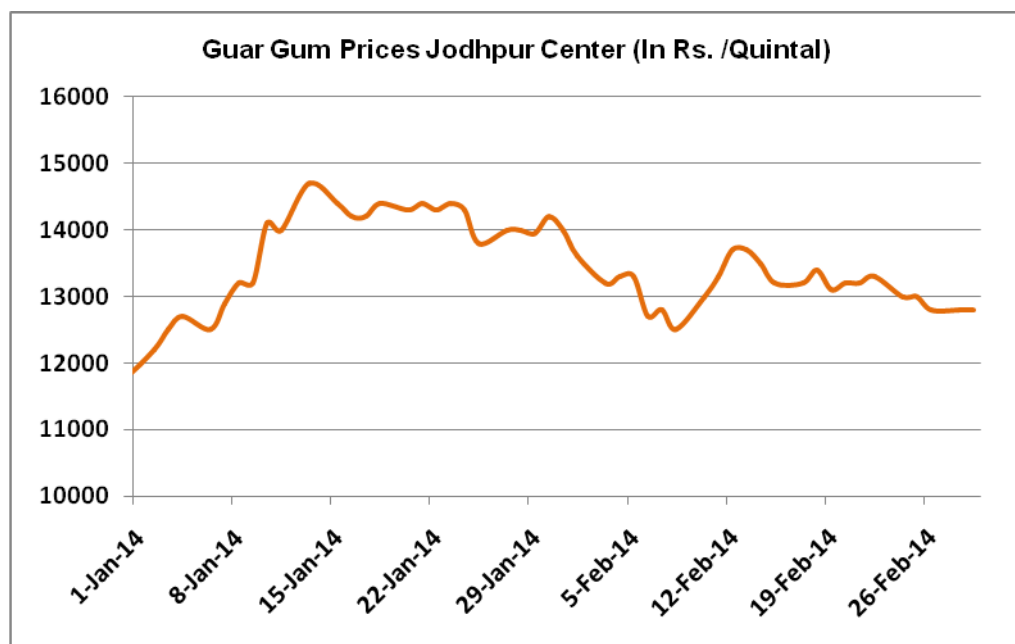
It is notable that guar prices are falling owing to weak domestic demand. Higher crop expectations of Summer crop led the prices downwards.



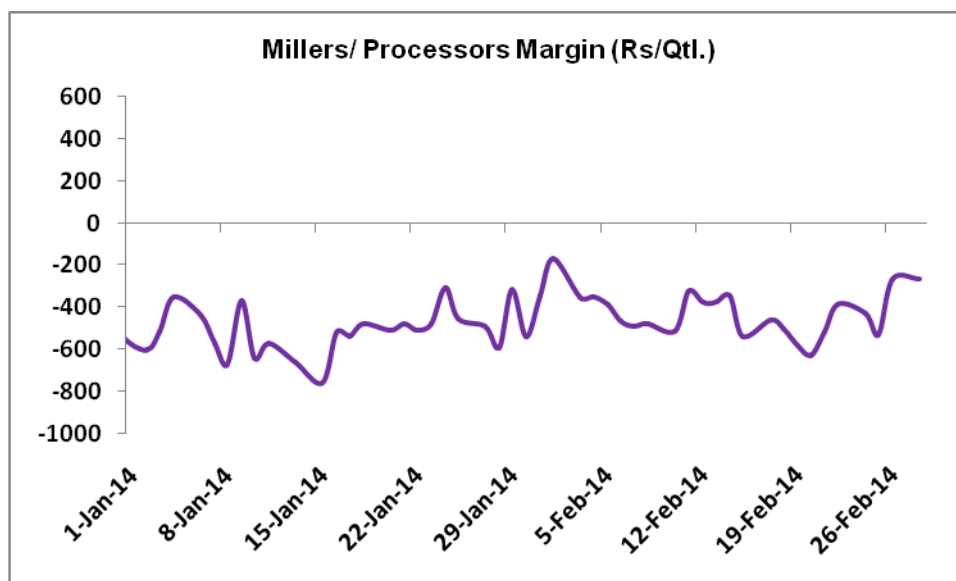
Price Scenario

Guar seed and Gum weekly average prices declined during the week. In the last week of February, the average price of guar seed declined by 5% to Rs.4750/Qtl compared to prior week. Also, guar gum prices declined last week by 2% to Rs.12980/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 improved compared to previous week. In the last week of February 2014, average crush margin stood at Rs. -373.5/Quintal which was -537 per quintal last week. Increase in Churi and korma prices led the margin up this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	1st-7th Mar14	22th- 28th Feb14	Change
Churi	Jodhpur	1200	895	305
Korma	Jodhpur	1711	1260	451
Churi	Sri Ganganagar	842	862	-20
Korma	Sri Ganganagar	1250	1240	10
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	Value (\$/MT)		Change
		1st-7th Mar14	22th- 28th Feb14	
Guargum Split (Banaskantha)		2110	2111	-1
Guargum Powder	200 Mesh 5000 CPS	2759	2756	3
	200 Mesh 3500 CPS	2597	2595	2
Guargum Meal	40%	280	280	Unch
	50%	360	364	-4
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	1st-7th Mar14	22th- 28th Feb14	
Rajasthan	Jodhpur (Loose)	4484	4570	-86
	Jodhpur(Delivery)	4684	4750	-66
	Sri-Ganganagar(Loose)	4531	4575	-44
	Sri-Ganganagar (Delivery)	4686	4660	26
	Nagaur (Loose)	4350	4470	-120
	Alwar (loose)	4200	4280	-80
	Churu (Delivery)	4790	4820	-30
	Bikaner (Loose)	4508	4560	-52
	Bikaner (Delivery)	4670	4730	-60
	Khajuwala Bikaner (Loose)	4445	4542	-97
	Khajuwala Bikaner(Delivery)	4623	4724	-101
	Nokha(Loose)	4512	4543	-31
	Nokha (Delivery)	4674	4685	-11
	Hanumangarh (Loose)	4535	4562	-27

	Hanumangarh (Delivery)	4735	4712	23
Haryana	Adampur (Loose)	4554	4603	-49
	Adampur (Delivery)	4754	4803	-49
	Sirsa (Loose)	4610	4775	-165
	Bhiwani (Delivery)	4600	4671	-71
	Dhabwali (Loose)	4498	4450	48
	Dhabwali (Delivery)	4698	4610	88
	Siwani (Loose)	4615	4650	-35
	Ellanabad (Loose)	4531	4567	-36
Gujarat	Deesa (Loose)	4414	4476	-62
	Patan (Loose)	4255	4335	-80
	Rajkot (Loose)	4192	4401	-209
Madhya pradesh	Dabra (Loose)	4000	4160	-160
Guar Gum				
Rajasthan	Jodhpur	12830	12980	-150
	Alwar	13000	13200	-200
Haryana	Sirsa	12100	12975	-875
	Bhiwani	12810	12840	-30
	Dhabwali	12860	12920	-60
	Ellanabad	12880	13040	-160

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	7-Mar-14	28-Feb-14	7-Feb-14	7-Mar-13
Rajasthan	Jodhpur (Loose)	4400	4450	4650	10200
	Jodhpur(Delivery)	4600	4600	4800	10500
	Sri-Ganganagar(Loose)	4515	4550	4600	10200
	Sri-Ganganagar (Delivery)	4715	4625	4800	10500
	Nagaur (Loose)	4300	4400	4550	9700
	Alwar (loose)	4200	4150	4400	9500
	Churu (Delivery)	4800	4800	4700	10100
	Bikaner (Loose)	4500	4500	4790	10150
	Bikaner (Delivery)	4650	4600	4800	10400
	Khajuwala Bikaner (Loose)	4425	4470	4500	NR
	Khajuwala Bikaner(Delivery)	4602	4649	4680	NR
	Nokha(Loose)	4520	4450	4480	10250
	Nokha (Delivery)	4683	4610	4641	10500
	Hanumangarh (Loose)	4425	4700	4550	10200

	Hanumangarh (Delivery)	4625	4800	4600	10500
Haryana	Adampur (Loose)	4550	4500	4600	10300
	Adampur (Delivery)	4750	4700	4725	10550
	Sirsa (Loose)	4525	NR	4600	10300
	Bhiwani (Delivery)	4600	4600	4625	10200
	Dhabwali (Loose)	4450	4350	4450	10200
	Dhabwali (Delivery)	4650	4550	4650	NR
	Siwani (Loose)	4600	4550	4550	NR
	Ellanabad (Loose)	4500	4535	4600	NR
Gujarat	Deesa (Loose)	4350	4440	4440	10050
	Patan (Loose)	4250	4230	4315	9500
	Rajkot (Loose)	4125	4550	4550	10275
Madhya pradesh	Dabra (Loose)	4000	4200	4200	10000
Guar Gum					
Rajasthan	Jodhpur	12800	12800	12800	30600
	Alwar	13000	13000	12900	30600
Haryana	Sirsa	12000	NR	12000	38000
	Bhiwani	12900	12700	12900	30600
	Dhabwali	12800	12700	12800	30500
	Ellanabad	12800	13000	13000	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		1st-7th Mar14	22th-28th Feb14	
Rajasthan	Jodhpur	650	1510	-860
	Sri-Ganganagar	9500	10500	-1000
	Nagaur	850	900	-50
	Alwar	3500	5300	-1800
	Churu	1600	1600	Unch
	Bikaner	4900	8000	-3100
	Khajuwala Bikaner	5300	4700	600
	Nokha	1400	1500	-100
	Hanumangarh	4900	2750	2150
Haryana	Adampur	22500	23000	-500
	Sirsa	20000	10000	10000
	Bhiwani	2100	4100	-2000
	Dhabwali	2700	1600	1100



Gujarat	Siwani	8500	10000	-1500
	Ellanabad	9800	7300	2500
	Deesa	954	1929	-975
	Patan (Loose)	849	1216	-367
Madhya pradesh	Rajkot	2716	4150	-1434
	Dabra	8500	7000	1500
Total Arrival		111219	105370	5849

Commodity: Guar Seed
Contract: April

Exchange: NCDEX
Expiry: Apr 20, 2013

Guar Seed (Weekly April Contract Chart)



Technical Commentary:

- Guar prices are moving in a range with weak tone.
- Last candlestick depicts bearishness.
- Prices are likely to take some downward correction.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Apr	3490	4185	4640	4960	5045
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Apr	Sell	Below 4600	4400	4300	4720



Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: Apr 20, 2013

Guar Gum (April Weekly Chart)



Technical Commentary:

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

Strategy: Sell from support level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Apr	11400	11850	12600	13340	13570
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr	Sell	Below 12600	12100	11900	12900

Spot Market Technical Analysis of Guar seed & Guar gum



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

Guar seed prices moving downwards and likely to test Rs 4500 level in the coming week for Jodhpur market as expected.



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

Prices of guar gum declined after having upward correction and now heading towards its next support level i.e. 12000

Prices are likely to move towards Rs.12000/Qtl levels in the short –term.

Spot Market Outlook:

Prices of guar seed are moving in a range with weak tone during last couple of weeks. Stockists are trying to drag the markets down in order to build the guar stocks at lower levels. However, arrivals are not picking up as farmers are also don't want to offload their guar stocks at lower rates. We expect prices of guar seed would dip further in the coming week.



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