

## Domestic Market Recap:

- Guar prices declined last week due to higher arrivals compared to prior week.
- India is offering guar split at FOB Rs. 128/kg which is still higher compared to Pakistan which are presently offering guar split at FOB Rs. 120/kg.
- Farmers in US have alleged that West Texas Guar hasn't paid anything for their 2013 guar crop. This incident could discourage farmers of US to plant guar for the next season and hurt the program of experimenting guar planting in US.
- Stockiest are creating artificial panic in the market in order to increase the guar arrivals from farmers in the market. This move gives clear indication that stockiest are trying to build their guar stocks at lower levels as expected.
- Reportedly, 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

Market is presently hovering in Rs 4000-5000 per quintal range from last 3-4 months. Thin trading activities recorded in the markets as market participants still believe prices of guar seed has the potential to move down further supported by higher carry over stock, good production figures and lack of export demand from overseas.

Reportedly, around 4900 bags of guar seed arrived in Jodhpur market in March 2014 which was 6000 bags last month. Presently, around 40000-45000 bags of guar seed arrive in all India markets on a daily basis as reported.

## Export and Import Scenario

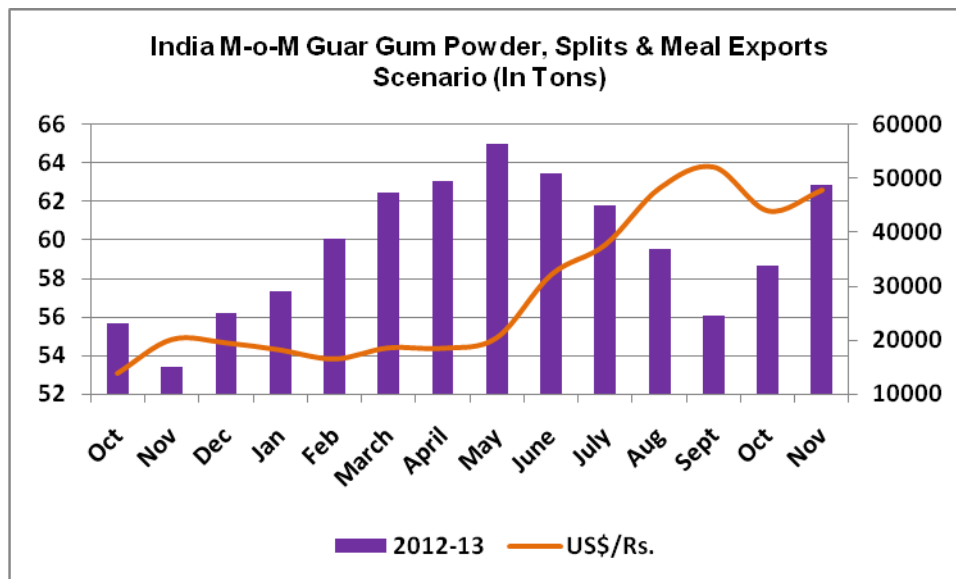
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

In addition to it, recent incident in west texas guar, US farmers discourage to plant guar for the coming year as they haven't got the payments for 2013 guar crop from the company. This also indicates that guar demand from overseas are not looking pretty much lucrative at present.

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.

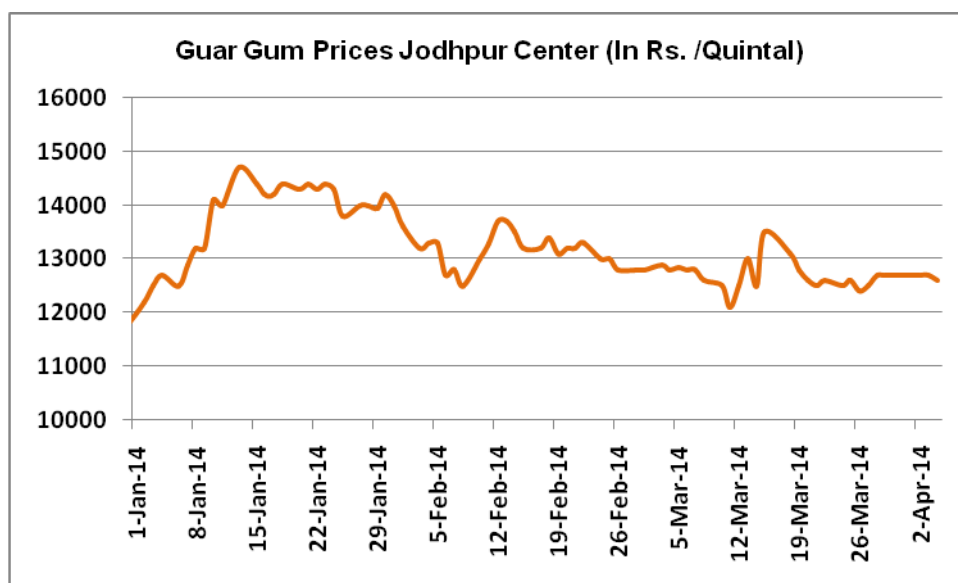
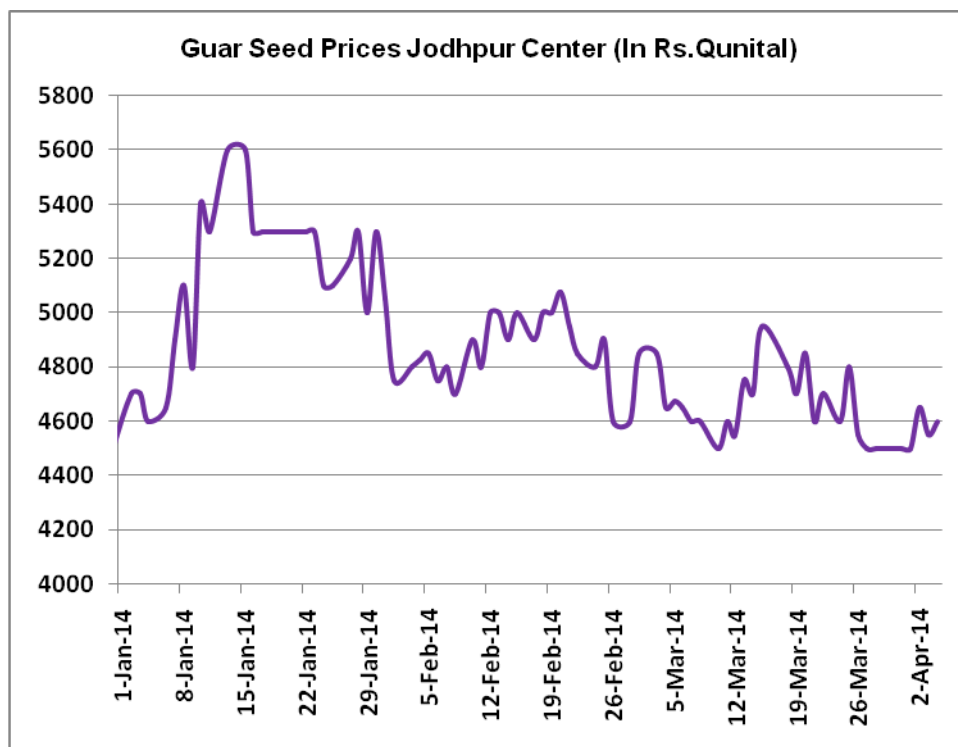
### Demand Side of Guar and Guar Gum:

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

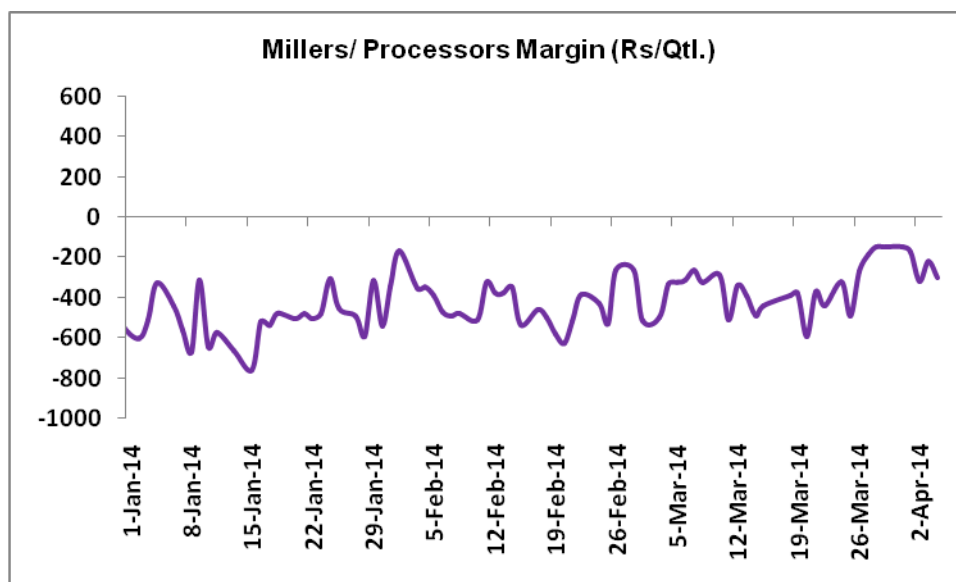


### Price Scenario

Guar seed and Gum weekly average prices improved during the week. In the first week of April, the average price of guar seed declined by 1% to Rs.4550/Qtl compared to prior week. Also, guar gum prices improved last week by 1% to Rs.12683/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 first week of April 2014, average crush margin stood at Rs. -216/Quintal which was -308.8 per quintal last week. Increase in Churi and korma prices and higher degree of decrease in guar seed prices compared to guar gum prices led the margin up this week.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	29 <sup>th</sup> Mar-4th April 14	22th-28th Mar14	Change
Churi	Jodhpur	1267	1233	34
Korma	Jodhpur	1800	1856	-56
Churi	Sri-Ganganagar	900	883	17
Korma	Sri-Ganganagar	1325	1221	104
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	29 <sup>th</sup> Mar-4th April 14	22th-28th Mar14	Change
Guargum Split		2118	2083	35
Guargum Powder	200 Mesh 5000 CPS	2668	2703	-35
	200 Mesh 3500 CPS	2501	2538	-37
Guargum Meal	40%	260	270	-10
	50%	380	380	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)	Change
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	Guar Seeds	29 <sup>th</sup> Mar-4th April 14	22th-28th Mar14	
Rajasthan	Jodhpur (Loose)	4425	4358	67
	Jodhpur(Delivery)	4625	4608	17
	Sri-Ganganagar(Loose)	4464	4343	121
	Sri-Ganganagar (Delivery)	4590	4475	115
	Nagaur (Loose)	4300	4200	100
	Alwar (loose)	4230	4033	197
	Churu (Delivery)	4725	4650	75
	Bikaner (Loose)	4518	4487	31
	Bikaner (Delivery)	4663	4650	13
	Khajuwala Bikaner (Loose)	4457	4377	80
	Khajuwala Bikane(Delivery)	4635	4552	83
	Nokha(Loose)	4462	4420	42
	Nokha (Delivery)	4622	4579	43
	Hanumangarh (Loose)	4413	4373	40
	Hanumangarh (Delivery)	4583	4548	35
Haryana	Adampur (Loose)	4467	4425	42
	Adampur (Delivery)	4667	4608	59
	Sirsa (Loose)	4725	4600	125
	Bhiwani (Delivery)	4483	4504	-21
	Dhabwali (Loose)	4408	4458	-50
	Dhabwali (Delivery)	4585	4637	-52
	Siwani (Loose)	4554	4500	54
	Ellanabad (Loose)	4488	4395	93
Gujarat	Deesa (Loose)	4062	3885	177
	Patan (Loose)	4190	4174	16
	Rajkot (Loose)	4043	4103	-60
Madhya pradesh	Dabra (Loose)	3720	3800	-80
	Guar Gum			
Rajasthan	Jodhpur	14667	12550	2117
	Alwar	12750	12667	83
Haryana	Sirsa	12567	12333	234
	Bhiwani	12792	12558	234
	Dhabwali	12683	12700	-17
	Ellanabad	12850	12683	167

### Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	4-April-14	28-Mar-14	4-Mar-14	4-April-13

Rajasthan	Jodhpur (Loose)	4400	4300	4450	10400
	Jodhpur(Delivery)	4600	4500	4650	10850
	Sri-Ganganagar(Loose)	4400	4450	4525	10400
	Sri-Ganganagar (Delivery)	4600	4750	4625	10600
	Nagaur (Loose)	4200	4300	4400	10250
	Alwar (loose)	4150	4200	4200	10000
	Churu (Delivery)	NR	4800	4800	10600
	Bikaner (Loose)	4450	4550	4490	10400
	Bikaner (Delivery)	4600	4700	4650	10800
	Khajuwala Bikaner (Loose)	4420	4520	4450	10350
	Khajuwala Bikaner(Delivery)	4597	4701	4628	10600
	Nokha(Loose)	4450	4520	4500	10300
	Nokha (Delivery)	4610	4683	4662	10670
	Hanumangarh (Loose)	4400	4520	4500	10300
	Hanumangarh (Delivery)	4575	4700	4700	10600
Haryana	Adampur (Loose)	4500	4500	4550	10500
	Adampur (Delivery)	4700	4700	4750	10750
	Sirsa (Loose)	4700	4700	4600	10500
	Bhiwani (Delivery)	4450	4625	4600	10600
	Dhabwali (Loose)	4400	4450	4500	10400
	Dhabwali (Delivery)	4576	4628	4700	10800
	Siwani (Loose)	4550	4550	4600	NR
	Ellanabad (Loose)	4450	4450	4560	NR
Gujarat	Deesa (Loose)	4105	Closed	4350	10220
	Patan (Loose)	4165	Closed	4250	10405
	Rajkot (Loose)	4075	Closed	4200	10350
Madhya pradesh	Dabra (Loose)	3600	3800	4000	9800
Guar Gum					
Rajasthan	Jodhpur	14600	12700	12800	31800
	Alwar	NR	13000	13000	32000
Haryana	Sirsa	12500	12500	12000	31000
	Bhiwani	12700	13200	12600	32200
	Dhabwali	12600	12700	12900	31800
	Ellanabad	12700	12900	12900	NR

### Guar Cumulative Arrivals in Key Centers

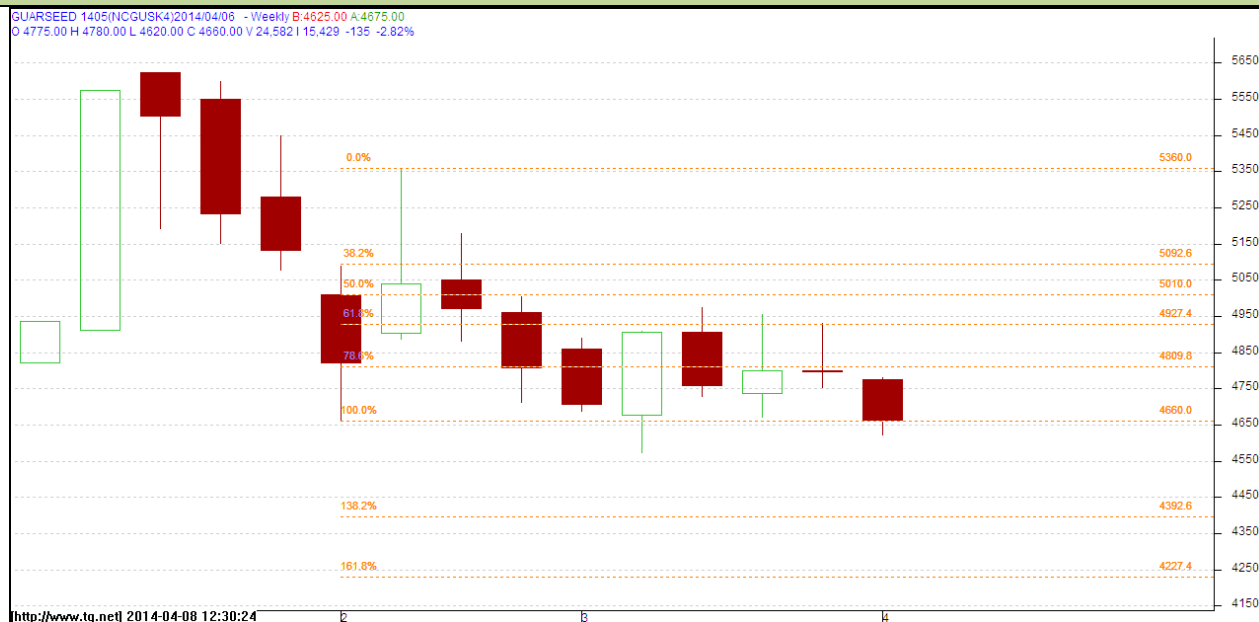
Centre	Weekly Arrivals (Quintals)			Change
		29 <sup>th</sup> Mar-4th April 14	22th-28th Mar14	

Rajasthan	Jodhpur	1250	1450	-200
	Sri-Ganganagar	12000	14500	-2500
	Nagaur	400	950	-550
	Alwar	3500	3300	200
	Churu	1000	1200	-200
	Bikaner	4000	6000	-2000
	Khajuwala Bikaner	4000	4700	-700
	Nokha	1800	1350	450
	Hanumangarh	6300	5700	600
Haryana	Adampur	24500	23500	1000
	Sirsa	11000	13500	-2500
	Bhiwani	3400	4100	-700
	Dhabwali	2300	2750	-450
	Siwani	14200	12000	2200
	Ellanabad	5700	6800	-1100
Gujarat	Deesa	362	411	-49
	Patan (Loose)	231	592	-361
	Rajkot	2750	867	1883
Madhya pradesh	Dabra	4800	8100	-3300
Total Arrival		103493	98158	

Commodity: Guar Seed  
Contract: May

Exchange: NCDEX  
Expiry: May 20, 2014

## Guar Seed (Weekly May Contract Chart)



### Technical Commentary:

- Guar prices are moving in a range with weak tone.
- Last candlestick depicts bearishness
- Selling should occur from higher levels which would take the prices down further.
- RSI is moving towards oversold from neutral region.

### Strategy: Sell from resistance levels.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	May	4227	4390	4795	5010	5090
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	<b>Sell</b>	Below 4750	4550	4450	4870



Commodity: Guar Gum  
Contract: May

Exchange: NCDEX  
Expiry: May 20, 2013

## Guar Gum (May Weekly Chart)



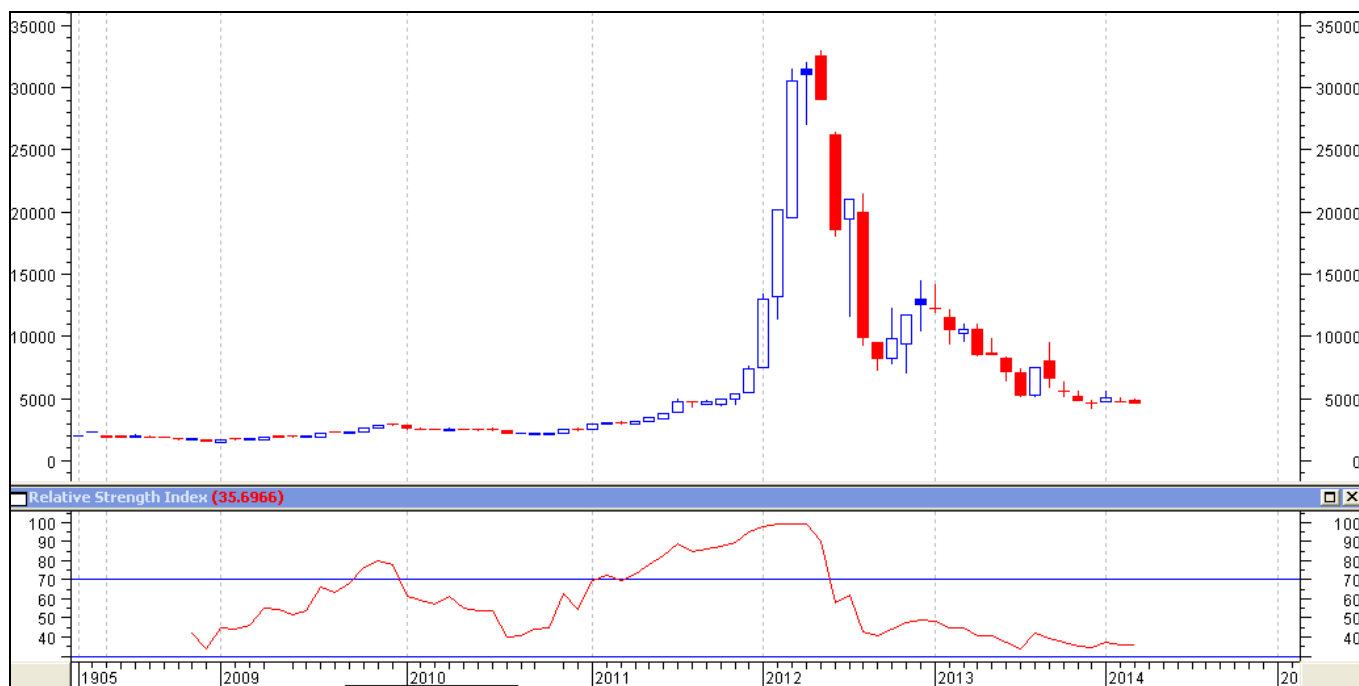
### Technical Commentary:

- 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.

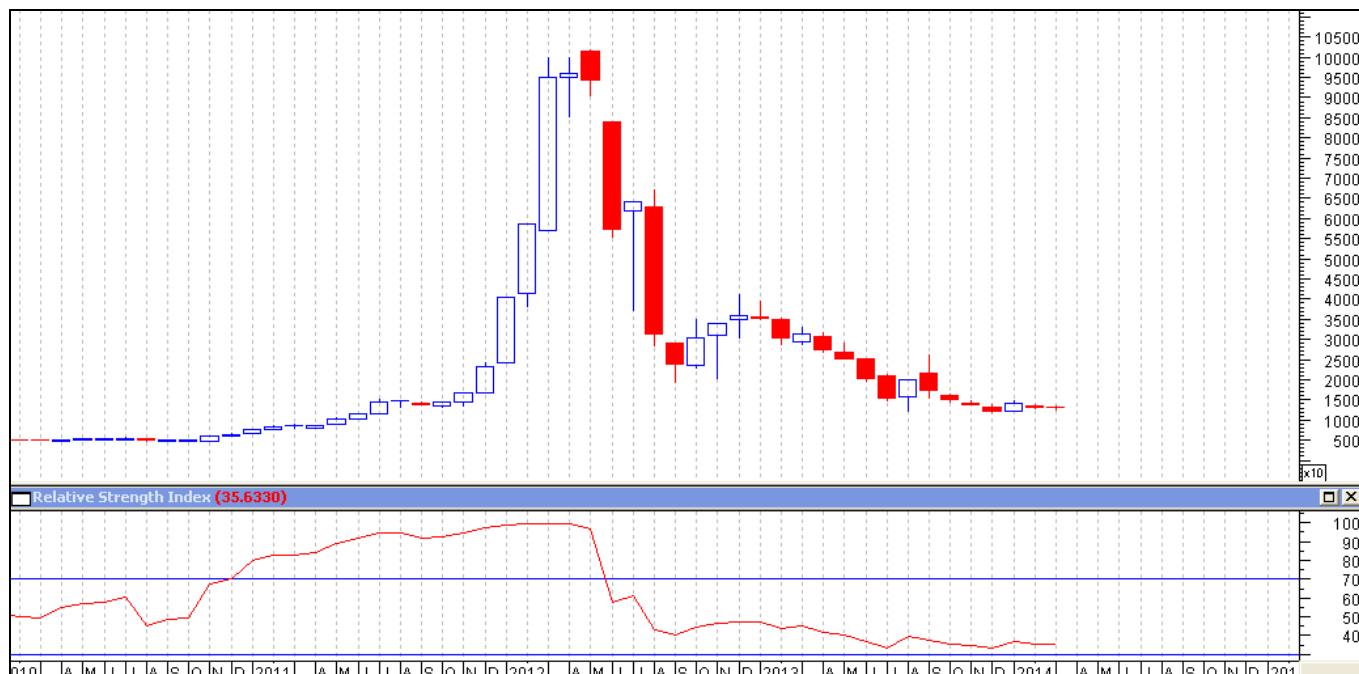
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	May	-	12035	12850	13600	13950
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	<b>Sell</b>	Below 12800	12400	12200	13040

## Spot Market Technical Analysis of Guar seed & Guar gum



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

Guar seed prices moving upwards and likely to test Rs 4000 level in the coming week for Jodhpur market as expected. It is notable that still trend is down as chart depicts.



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

Prices of guar gum surge last week due to lower arrivals and hovering at pretty crucial level. Breach of Rs 13700 level by upwards could change the trend. However, still prices are hovering in a downtrend.

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

### **Spot Market Outlook:**

Prices of guar seed currently moving in a range from last several weeks. Lower arrivals and buying of guar seed at lower levels by stockists unable to give prices a certain direction. We expect prices to move in a range in the coming week.

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