

Domestic Market Recap:

- Guar prices declined last week despite of lower arrivals compared to prior week. 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.
- IFC plans to invest \$30 million in Lucid colloids Ltd (LCL) to meet the growth plans and its working capital requirements. LCL is planning to setup an finished guar gum production and other hydrocolloids production facility at Bharuch, Gujarat. It is notable that LCL is one of the four largest guar gum producers in India.
- Market participants are feeling current guar arrivals are still sufficient to drag the prices of guar seed down. It is notable that arrivals are pretty much at lower side compared to prior months.
- 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.
- 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 560 bags of guar seed arrived in Jodhpur market last week 2014 which was 1250 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

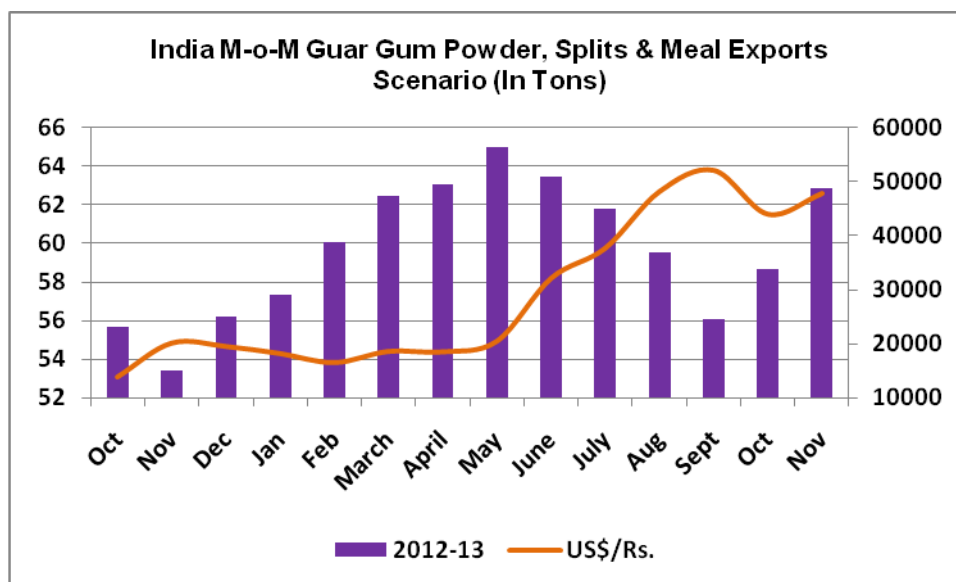
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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.

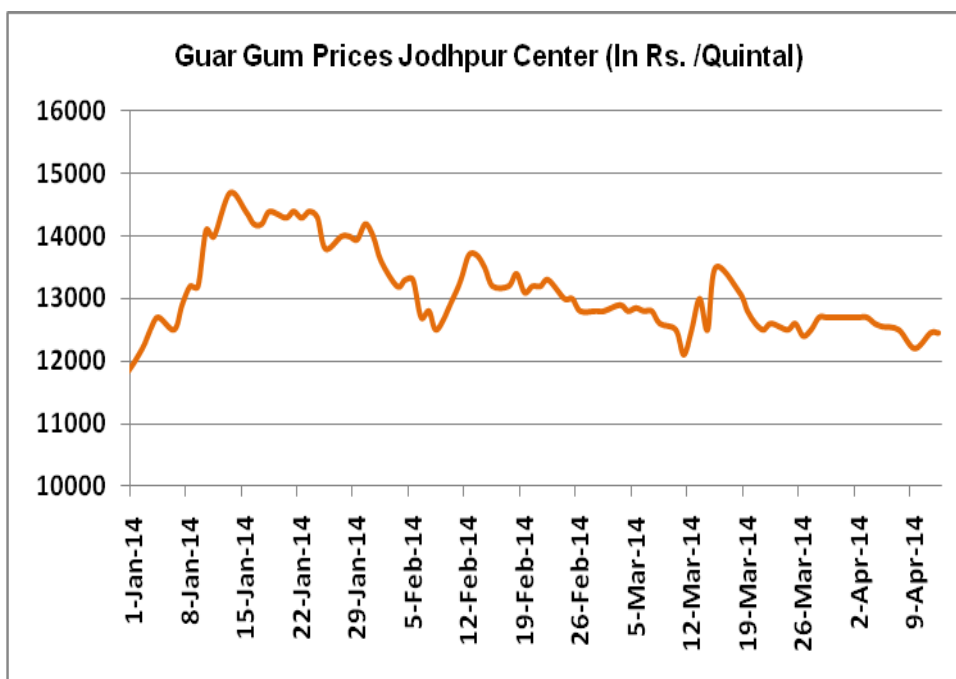
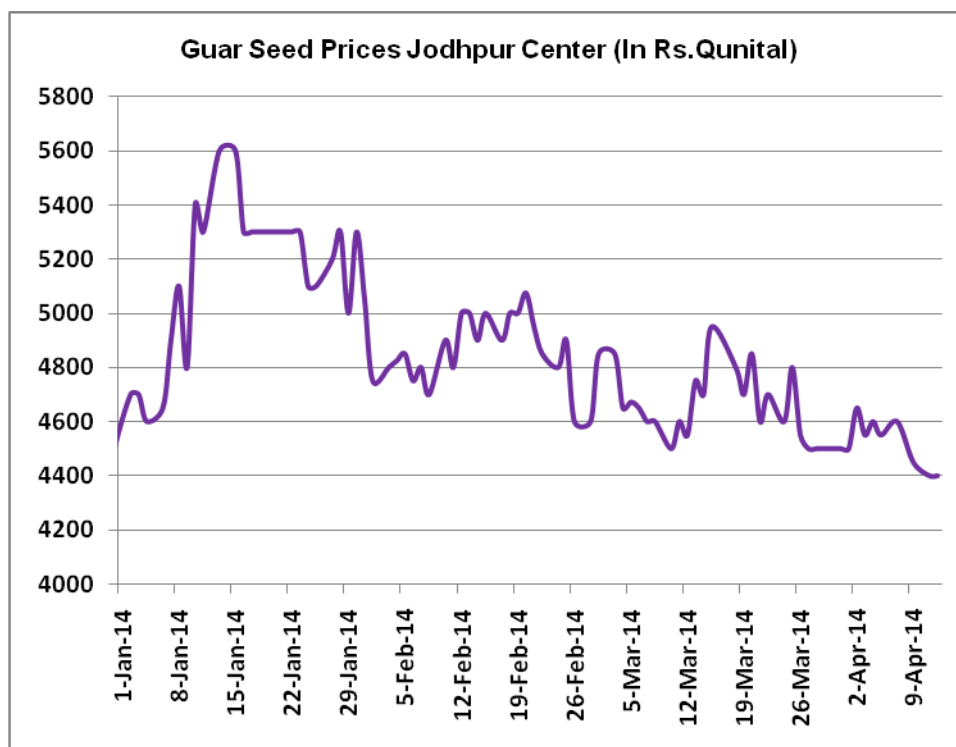
Demand Side of Guar and Guar Gum:

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

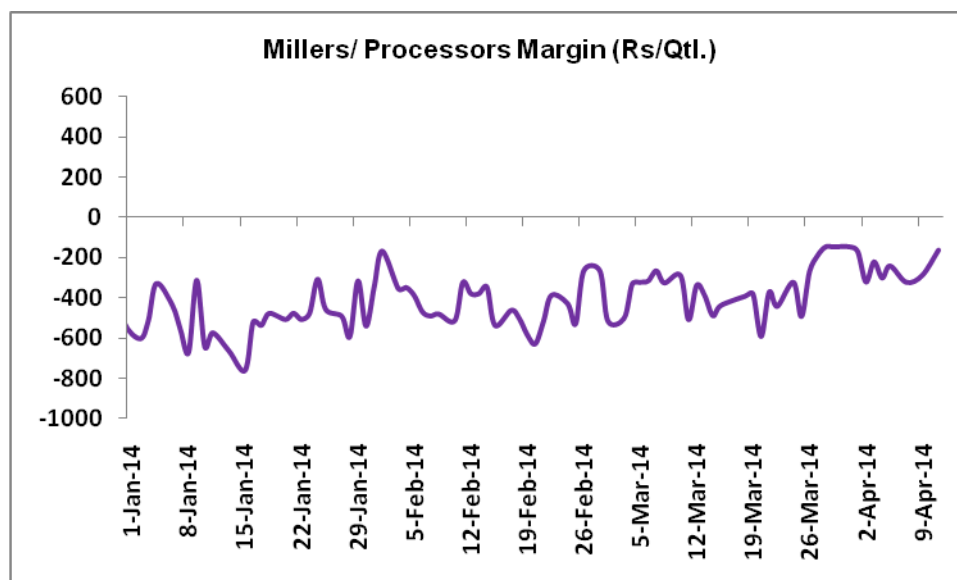


Price Scenario

Guar seed and Gum weekly average prices declined during the week. In the second week of April, the average price of guar seed declined by 1% to Rs.4500/Qtl compared to prior week. Also, guar gum prices declined last week by 2% to Rs.12425/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 second week of April 2014, average crush margin stood at Rs. -251/Quintal which was -216 per quintal last week. Decrease in Churi and korma average prices and higher degree of decrease in guar gum prices compared to guar seed prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	5th to 11th April 14	29th Mar-4th April 14	Change
Churi	Jodhpur	925	1267	-342
Korma	Jodhpur	1350	1800	-450
Churi	Sri-Ganganagar	919	900	19
Korma	Sri-Ganganagar	1331	1325	6
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	5th to 11th April 14	29th Mar-4th April 14	Change
Guargum Split		2095	2118	-23
Guargum Powder	200 Mesh 5000 CPS	2728	2668	60
	200 Mesh 3500 CPS	2436	2501	-65
Guargum Meal	40%	265	260	5
	50%	385	380	5
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	5th to 11th April 14	29th Mar-4th April 14	
Rajasthan	Jodhpur (Loose)	4300	4425	-125
	Jodhpur(Delivery)	4500	4625	-125
	Sri-Ganganagar(Loose)	4338	4464	-127
	Sri-Ganganagar (Delivery)	4475	4590	-115
	Nagaur (Loose)	4275	4300	-25
	Alwar (loose)	4106	4230	-124
	Churu (Delivery)	4500	4725	-225
	Bikaner (Loose)	4306	4518	-212
	Bikaner (Delivery)	4575	4663	-88
	Khajuwala Bikaner (Loose)	4322	4457	-135
	Khajuwala Bikaner(Delivery)	4495	4635	-140
	Nokha(Loose)	4345	4462	-117
	Nokha (Delivery)	4501	4622	-121
	Hanumangarh (Loose)	4325	4413	-88
	Hanumangarh (Delivery)	4518	4583	-66
Haryana	Adampur (Loose)	4358	4467	-109
	Adampur (Delivery)	4550	4667	-117
	Sirsa (Loose)	4633	4725	-92
	Bhiwani (Delivery)	4417	4483	-66
	Dhabwali (Loose)	4320	4408	-88
	Dhabwali (Delivery)	4493	4585	-92
	Siwani (Loose)	4381	4554	-173
	Ellanabad (Loose)	4359	4488	-129
Gujarat	Deesa (Loose)	4029	4062	-33
	Patan (Loose)	4130	4190	-60
	Rajkot (Loose)	4056	4043	13
Madhya pradesh	Dabra (Loose)	3800	3720	80
	Guar Gum			
Rajasthan	Jodhpur	12425	14667	-2242
	Alwar	12500	12750	-250
Haryana	Sirsa	12533	12567	-34
	Bhiwani	12550	12792	-242
	Dhabwali	12375	12683	-308
	Ellanabad	12500	12850	-350

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	11-Apr-14	4-Apr-14	11-Mar-14	11-Apr-13
Rajasthan	Jodhpur (Loose)	4200	4400	4350	9800
	Jodhpur(Delivery)	4400	4600	4600	10200
	Sri-Ganganagar(Loose)	4300	4400	4350	10150
	Sri-Ganganagar (Delivery)	4400	4600	4450	10500
	Nagaur (Loose)	4200	4200	4000	9400
	Alwar (loose)	4100	4150	4000	9200
	Churu (Delivery)	4500	NR	4500	9700
	Bikaner (Loose)	4400	4450	4300	9900
	Bikaner (Delivery)	4550	4600	4400	10900
	Khajuwala Bikaner (Loose)	4270	4420	4200	9700
	Khajuwala Bikaner(Delivery)	4441	4597	4368	10100
	Nokha(Loose)	4330	4450	4240	9500
	Nokha (Delivery)	4486	4610	4393	9640
	Hanumangarh (Loose)	4300	4400	4300	9600
	Hanumangarh (Delivery)	4500	4575	4400	10000
Haryana	Adampur (Loose)	4300	4500	4400	10000
	Adampur (Delivery)	4500	4700	4575	10250
	Sirsa (Loose)	NA	4700	4500	10500
	Bhiwani (Delivery)	4300	4450	4250	10000
	Dhabwali (Loose)	4300	4400	4300	9800
	Dhabwali (Delivery)	4472	4576	4500	NR
	Siwani (Loose)	4425	4550	4250	NR
	Ellanabad (Loose)	4350	4450	4300	NR
Gujarat	Deesa (Loose)	4000	4105	4015	9500
	Patan (Loose)	4050	4165	4045	9460
	Rajkot (Loose)	4055	4075	3950	9500
Madhya pradesh	Dabra (Loose)	3900	3600	3800	9800
Guar Gum					
Rajasthan	Jodhpur	12450	14600	12100	29800
	Alwar	12500	NR	12000	30000
Haryana	Sirsa	NA	12500	12000	31000
	Bhiwani	12200	12700	11850	30900
	Dhabwali	12300	12600	12100	30000
	Ellanabad	12300	12700	12200	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		5th to 11th April 14	29th Mar-4th April 14	
Rajasthan	Jodhpur	560	1250	-690
	Sri-Ganganagar	8700	12000	-3300
	Nagaur	700	400	300
	Alwar	2600	3500	-900
	Churu	900	1000	-100
	Bikaner	4000	4000	Unch
	Khajuwala Bikaner	1500	4000	-2500
	Nokha	1500	1800	-300
	Hanumangarh	2400	6300	-3900
Haryana	Adampur	7000	24500	-17500
	Sirsa	8500	11000	-2500
	Bhiwani	700	3400	-2700
	Dhabwali	1750	2300	-550
	Siwani	7500	14200	-6700
	Ellanabad	3200	5700	-2500
Gujarat	Deesa	589	362	227
	Patan (Loose)	393	231	162
	Rajkot	2850	2750	100
Madhya pradesh	Dabra	3900	4800	-900
Total Arrival/Above Markets		59242	103493	-44251

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.
- Selling should occur from higher levels which would take the prices down further.
- RSI is moving towards neutral region.
- Decrease in prices along with OI and Volume support indicates bearishness in the prices.

Strategy: Sell from resistance levels.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	May	4415	4545	4750	5010	5090
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	Sell	Below 4880	4680	4580	5000

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	12380	12670	13500	13670
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	Sell	Below 13000	12600	12400	13240

Spot Market Technical Analysis of Guar seed & Guar gum

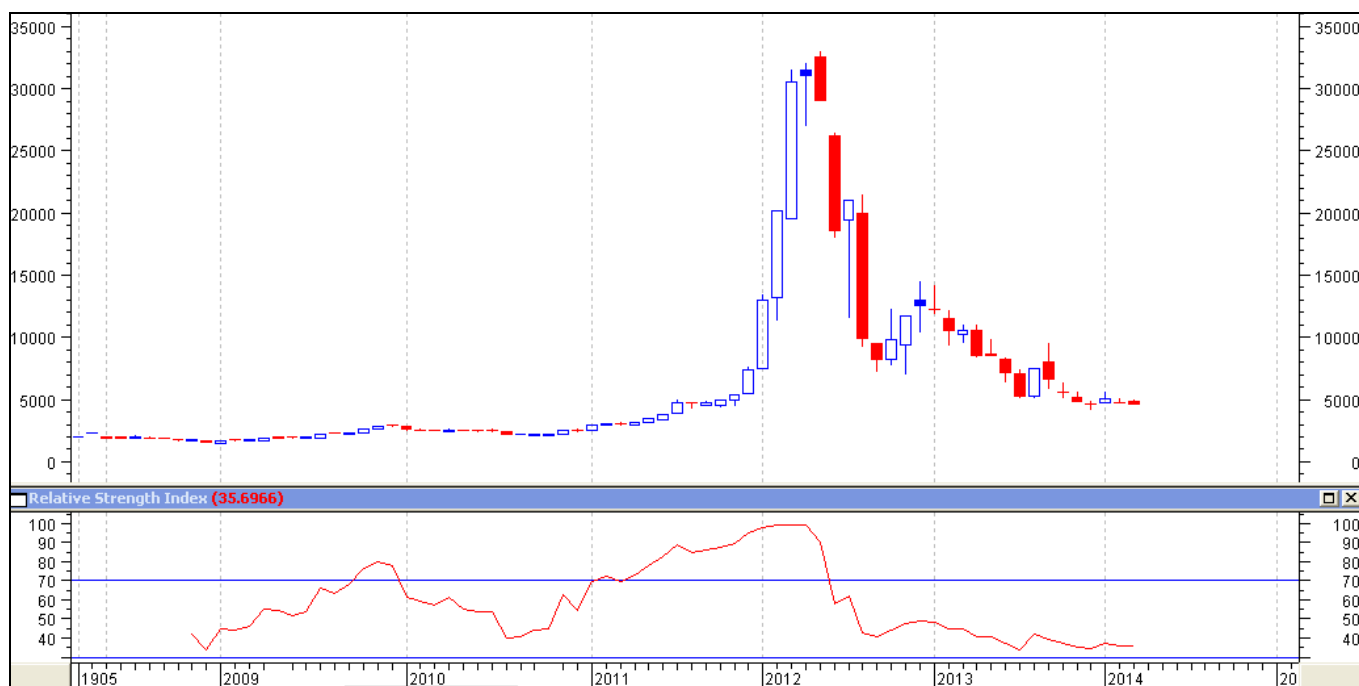


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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

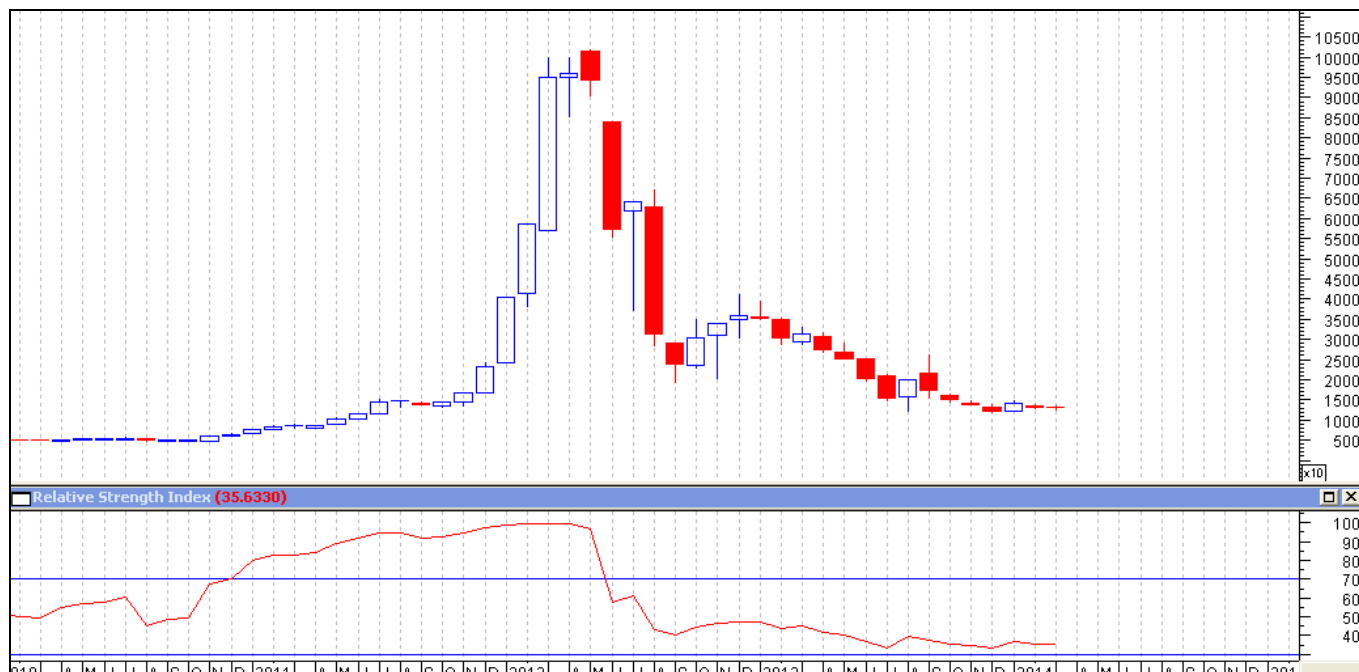


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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 with weak tone in the coming week.

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