

**Domestic Market Recap:**

- Uptrend in guar seed market continues on the back of increasing fear of drought, lower area coverage and retaining of stock by medium and bulk stockiest. However higher prices encourage some stock holders and farmers to release their stock for availing the benefit of higher prices at current level.
- Despite higher arrival from last week, prices moved upward further with the increasing expectation of higher price in coming months. Current pace of arrival may slow down once again despite higher prices as strong sentiments would intend to farmers to retained their stocks with changed markets inner tone.
- US based organizations are conducting guar cultivation commercially to watch the sustainability of guar crop in the region as reported.
- 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.
- 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.

**Current Market Dynamics**

Market is presently hovering in Rs 4200-4800 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 1100 bags of guar seed arrived in Jodhpur market last week 2014 which was 560 bags last month. Presently, around 65000-82000 bags of guar seed arrive in all India markets on a daily basis as reported.

## Export and Import Scenario

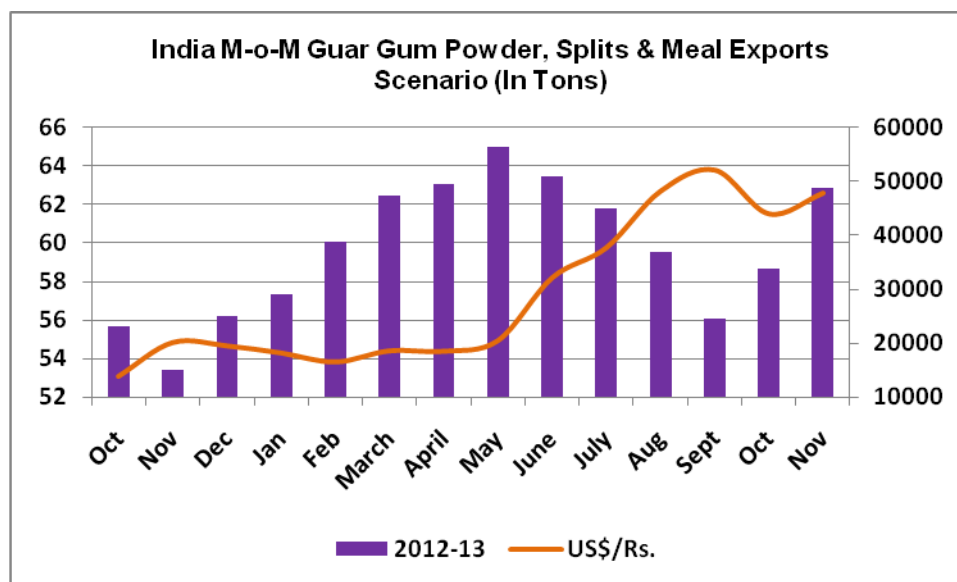
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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.

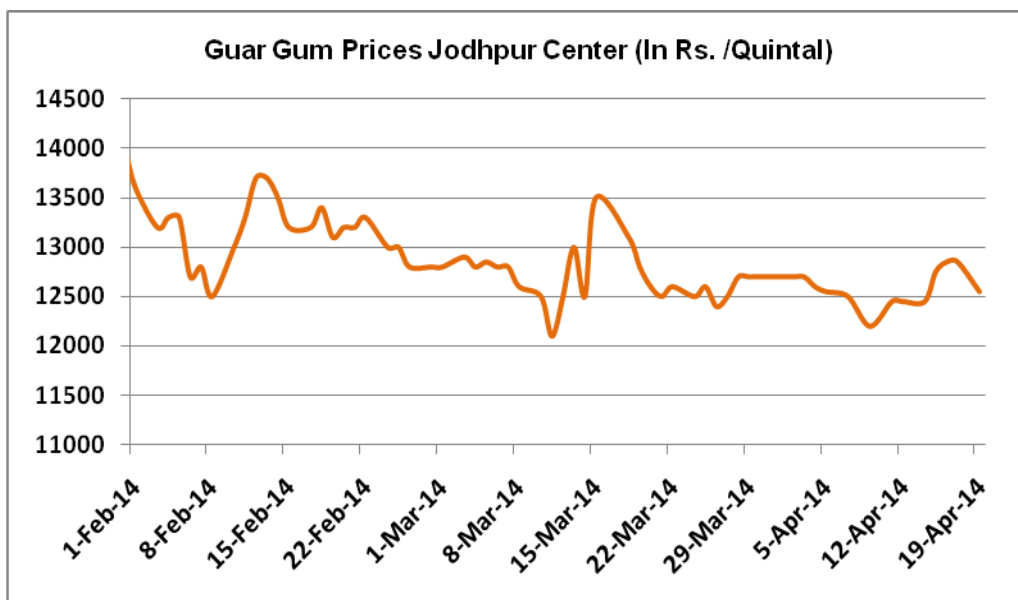
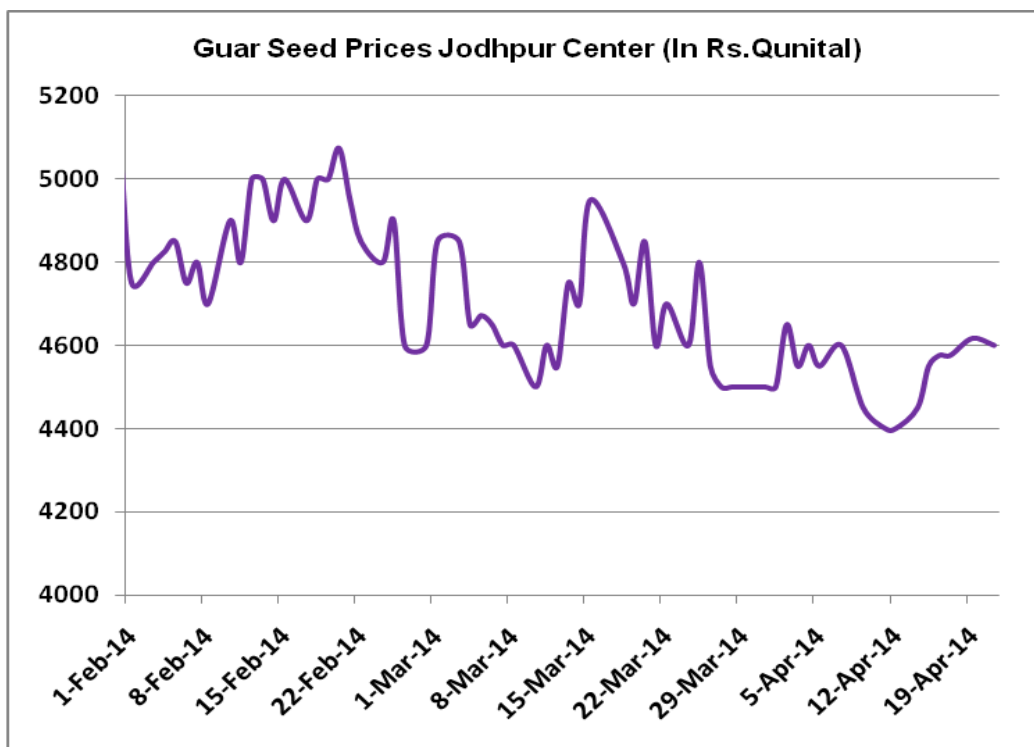
## Demand Side of Guar and Guar Gum:

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

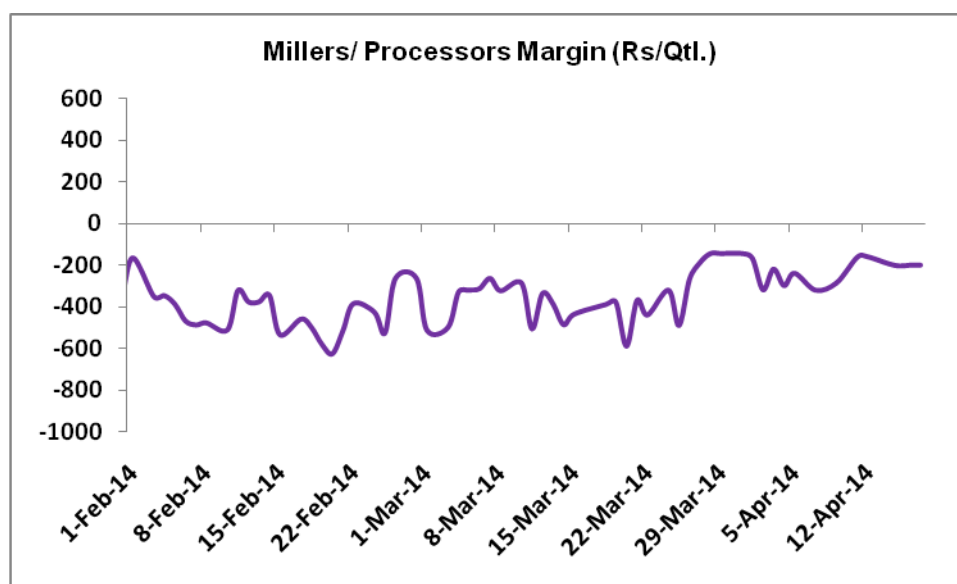


## Price Scenario

Guar seed and Gum weekly average prices improved slightly during the week. In the third week of April, the average price of guar seed improved by 0.2% to Rs.4510/Qtl compared to prior week. Also, guar gum prices improved last week by 2% to Rs.12670/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 third week of April 2014, average crush margin stood at Rs. -191/Quintal which was -251 per quintal last week. Increase in Churi and korma average prices and higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	19th to 25th April 14	12th April-17th April 14	Change
Churi	Jodhpur	985	925	60
Korma	Jodhpur	1392	1350	42
Churi	Sri-Ganganagar	921	919	2
Korma	Sri-Ganganagar	1376	1331	45
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	19th to 25th April 14	12th April-17th April 14	Change
Guargum Split		2133	2095	38
Guargum Powder	200 Mesh 5000 CPS	2655	2728	-73
	200 Mesh 3500 CPS	2408	2436	-28

Guargum Meal	40%	270	265	5
	50%	390	385	5
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	19th to 25th April 14	12th April-17th April 14	
Rajasthan	Jodhpur (Loose)	4611	4294	317
	Jodhpur(Delivery)	4811	4494	317
	Sri-Ganganagar(Loose)	4758	4388	371
	Sri-Ganganagar (Delivery)	4902	4500	402
	Nagaur (Loose)	4500	4175	325
	Alwar (loose)	4483	4210	273
	Churu (Delivery)	4767	4500	267
	Bikaner (Loose)	4689	4438	252
	Bikaner (Delivery)	4825	4600	225
	Khajuwala Bikaner (Loose)	4644	4450	194
	Khajuwala Bikaner(Delivery)	4830	4628	202
	Nokha(Loose)	4632	4358	274
	Nokha (Delivery)	4798	4515	284
	Hanumangarh (Loose)	4675	4475	200
	Hanumangarh (Delivery)	4863	4642	221
Haryana	Adampur (Loose)	4754	4470	284
	Adampur (Delivery)	4963	4680	283
	Sirsa (Loose)	4767	4563	204
	Bhiwani (Delivery)	4742	4583	158
	Dhabwali (Loose)	4656	4510	146
	Dhabwali (Delivery)	4837	4690	147
	Siwani (Loose)	4719	4575	144
	Ellanabad (Loose)	4757	4550	207
Gujarat	Deesa (Loose)	4110	3962	148
	Patan (Loose)	NA	4123	-
	Rajkot (Loose)	4303	4190	113
Madhya pradesh	Dabra (Loose)	3600	3900	-300
Guar Gum				
Rajasthan	Jodhpur	13092	12625	467

	Alwar	13167	1250 0	667
Haryana	Sirsa	12583	1235 0	233
	Bhiwani	13803	1311 7	687
	Dhabwali	13125	1265 0	475
	Ellanabad	13233	1272 0	513

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	25-Apr-14	17-Apr-14	25-Mar-14	25-Apr-13
Rajasthan	Jodhpur (Loose)	4900	NA	4600	9000
	Jodhpur(Delivery)	5100	NA	4800	9500
	Sri-Ganganagar(Loose)	5000	NA	4400	9200
	Sri-Ganganagar (Delivery)	5200	NA	4500	9500
	Nagaur (Loose)	4800	NA	4200	8500
	Alwar (loose)	4700	4200	4000	8100
	Churu (Delivery)	5000	NA	4600	8700
	Bikaner (Loose)	4950	NA	4475	8700
	Bikaner (Delivery)	5100	NA	4725	9000
	Khajuwala Bikaner (Loose)	4950	NA	4350	8400
	Khajuwala Bikaner(Delivery)	5148	NA	4524	8750
	Nokha(Loose)	4900	NA	4450	8600
	Nokha (Delivery)	5076	NA	4610	8900
	Hanumangarh (Loose)	5000	NA	4390	NR
	Hanumangarh (Delivery)	5150	NA	4500	NR
Haryana	Adampur (Loose)	5000	4600	4400	8800
	Adampur (Delivery)	5200	4900	4600	9050
	Sirsa (Loose)	5100	4600	4600	NR
	Bhiwani (Delivery)	5000	NA	4450	9000
	Dhabwali (Loose)	4925	4500	4400	8400
	Dhabwali (Delivery)	5100	4680	4576	NR
	Siwani (Loose)	5000	4625	4500	NR
	Ellanabad (Loose)	5150	4600	4400	NR
Gujarat	Deesa (Loose)	NA	4130	3905	NR
	Patan (Loose)	NA	4245	4170	NR
	Rajkot (Loose)	4505	4240	NA	NA
Madhya pradesh	Dabra (Loose)	NA	NA	3800	9000
Guar Gum					

Rajasthan	Jodhpur	13750	NA	12600	29800
	Alwar	14000	NA	12500	30000
Haryana	Sirsa	13500	12600	12500	31000
	Bhiwani	14800	NA	12300	30900
	Dhabwali	13800	12800	12800	30000
	Ellanabad	13800	12900	12700	NR

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		19th to 25th April 14	12th April-17th April 14	
Rajasthan	Jodhpur	1100	280	820
	Sri-Ganganagar	5700	2800	2900
	Nagaur	950	500	450
	Alwar	2400	2400	Unch
	Churu	3500	1000	2500
	Bikaner	7000	2500	4500
	Khajuwala Bikaner	2900	1400	1500
	Nokha	5300	1500	3800
	Hanumangarh	120	700	-580
Haryana	Adampur	14000	12500	1500
	Sirsa	13500	5000	8500
	Bhiwani	4000	1300	2700
	Dhabwali	3420	1550	1870
	Siwani	10000	10500	-500
	Ellanabad	2500	3000	-500
Gujarat	Deesa	183	700	-517
	Patan (Loose)	NA	218	-
	Rajkot	4325	4050	275
Madhya pradesh	Dabra	1300	NA	-
Total Arrival		82198	51898	30300

Commodity: Guar Seed  
Contract: May

Exchange: NCDEX  
Expiry: May 20, 2014

## Guar Seed (Weekly May Contract Chart)

GUARSEED 1405(NCGUSK4)2014/04/27 - Weekly B:5475.00 A:5470.00  
O 5380.00 H 5475.00 L 5285.00 C 5475.00 V 24,379 I 18,787 +210 +3.99%



### Technical Commentary:

- Guar prices are moving in a upward as chart depicts
- RSI is moving towards neutral region.
- Increase in prices and with OI support indicates bullishness in the prices.

**Strategy: Buy from breach of resistance levels.**

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	May	4415	4545	5265	5500	5600
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	Buy	Above 5300	5384	5394	5280





Commodity: Guar Gum  
Contract: May

Exchange: NCDEX  
Expiry: May 20, 2013

### Guar Gum (May Weekly Chart)



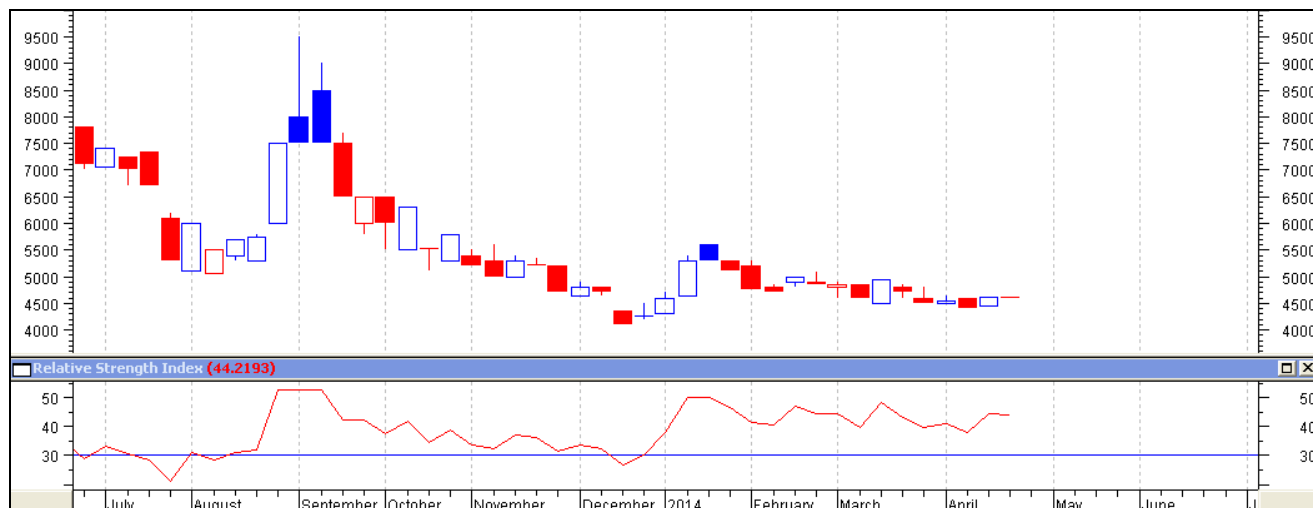
#### Technical Commentary:

- Guar prices are hovering in a upward 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	May	12035	12380	13910	14500	15000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	Buy	Above 14070	14286	14385	14000

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



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

Guar seed prices moving in a range. Breach of Rs 5200 level could give the reversal trend indication 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.13700/Qtl levels in the short –term.**

**Spot Market Outlook:**

With increasing margin in processing of guar seed to gum and lower arrivals should move the prices up in the coming week as expected. In addition to it, lower rainfall expectations due to El nino formation also likely to support the prices in the near term.

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