

Domestic Market Recap:

- 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 retain 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 5000-5400 per quintal range from last couple of weeks. 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

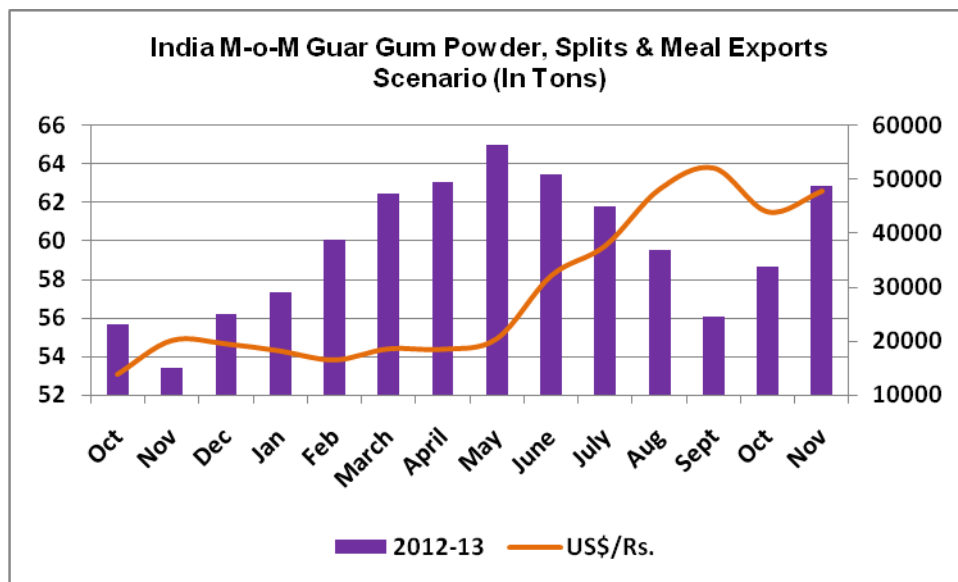
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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.

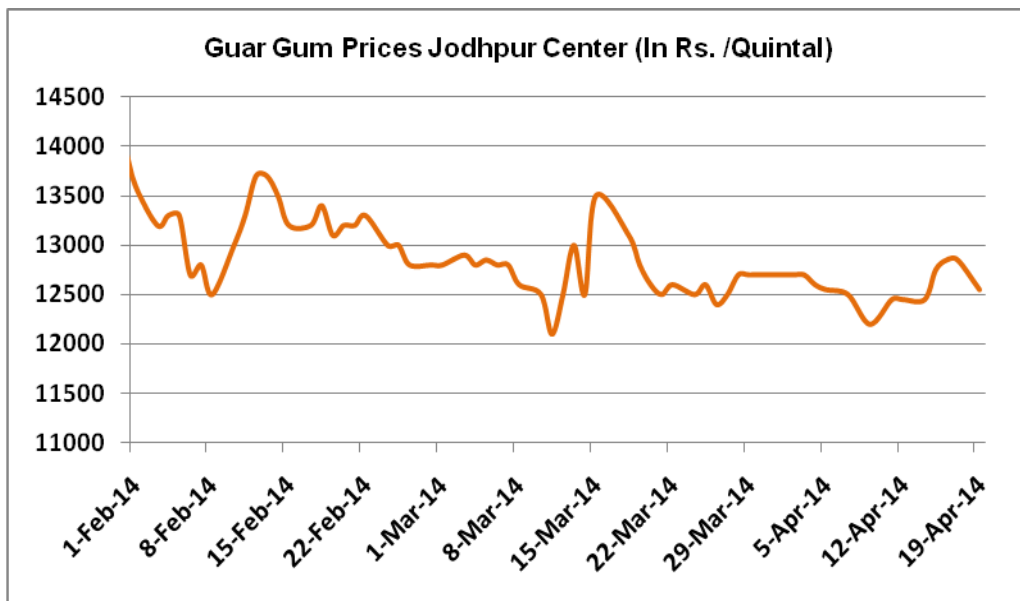
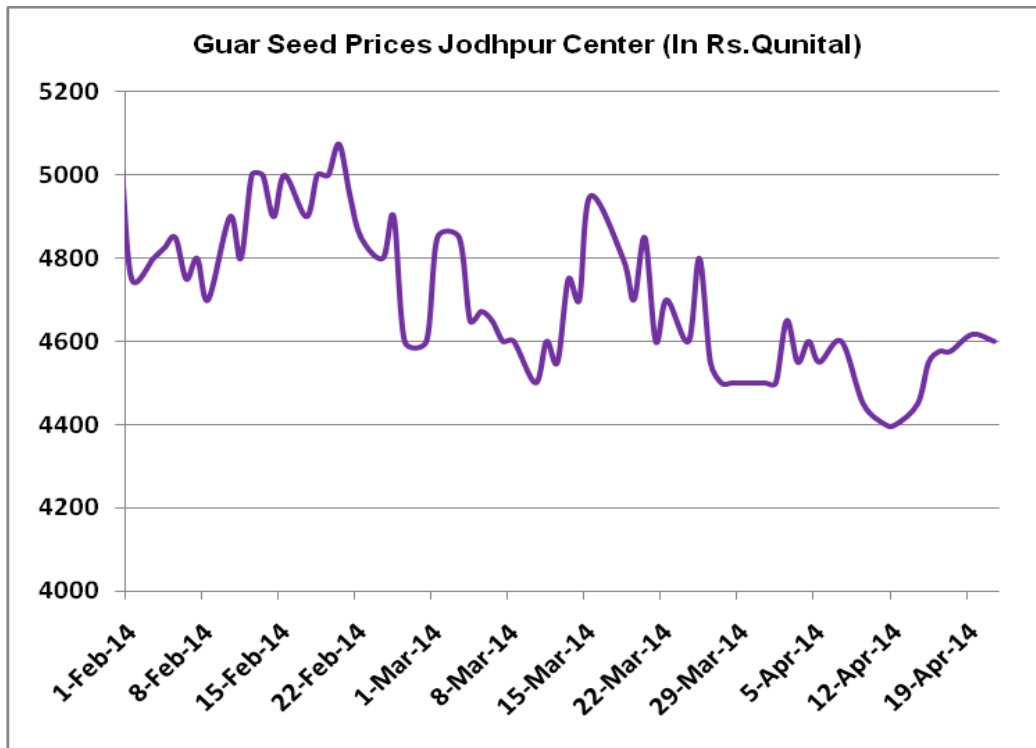
Demand Side of Guar and Guar Gum:

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

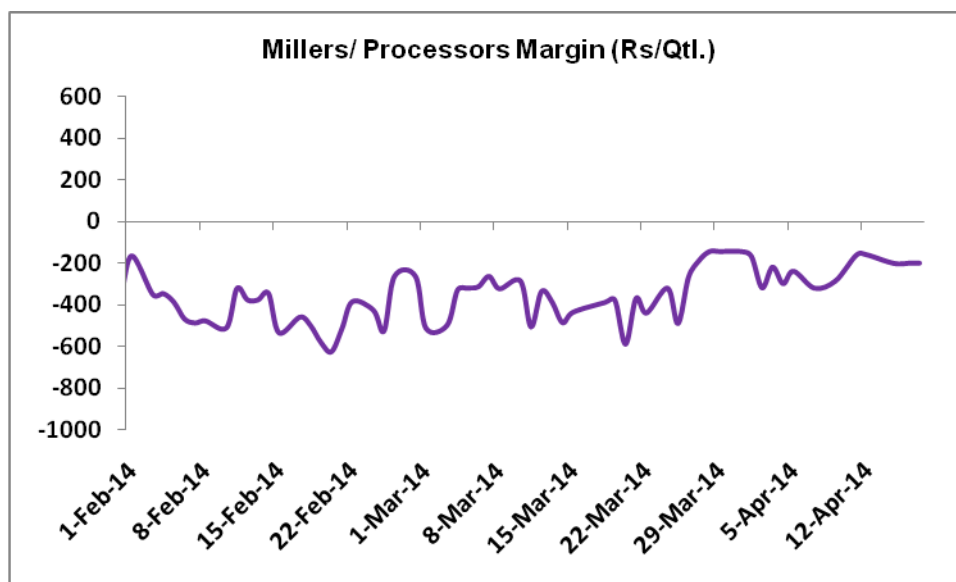


Price Scenario

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	26th April to 2 May 14	19th to 25th April 14	Change
Churi	Jodhpur	945	985	-40
Korma	Jodhpur	1375	1392	-17
Churi	Sri-Ganganagar	992	921	71
Korma	Sri-Ganganagar	1420	1376	44
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	26th April to 2 May 14	19th to 25th April 14	Change
Guargum Split		2411	2133	278
Guargum Powder	200 Mesh 5000 CPS	2908	2655	253
	200 Mesh 3500 CPS	2742	2408	334
Guargum Meal	40%	294	270	24
	50%	400	390	10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)	Change
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	Guar Seeds	26th April to 2 May 14	19th to 25th April 14	
Rajasthan	Jodhpur (Loose)	4990	4611	379
	Jodhpur(Delivery)	5190	4811	379
	Sri-Ganganagar(Loose)	5300	4758	542
	Sri-Ganganagar (Delivery)	5450	4902	548
	Nagaur (Loose)	5070	4500	570
	Alwar (loose)	4908	4483	425
	Churu (Delivery)	5233	4767	466
	Bikaner (Loose)	5170	4689	481
	Bikaner (Delivery)	5340	4825	515
	Khajuwala Bikaner (Loose)	5152	4644	508
	Khajuwala Bikane(Delivery)	5358	4830	528
	Nokha(Loose)	5128	4632	496
	Nokha (Delivery)	5313	4798	515
	Hanumangarh (Loose)	3863	4675	-813
	Hanumangarh (Delivery)	4013	4863	-851
	Haryana	Adampur (Loose)	5158	4754
Adampur (Delivery)		5344	4963	381
Sirsa (Loose)		5283	4767	516
Bhiwani (Delivery)		5158	4742	416
Dhabwali (Loose)		5183	4656	527
Dhabwali (Delivery)		5325	4837	488
Siwani (Loose)		5196	4719	477
Ellanabad (Loose)		5325	4757	568
Gujarat	Deesa (Loose)	2345	4110	-1765
	Patan (Loose)	NA	NA	-
	Rajkot (Loose)	4733	4303	430
Madhya pradesh	Dabra (Loose)	3600	3600	Unch
Guar Gum				
Rajasthan	Jodhpur	14220	13092	1128
	Alwar	14483	13167	1316
Haryana	Sirsa	13833	12583	1250
	Bhiwani	14483	13803	680
	Dhabwali	14067	13125	942
	Ellanabad	14300	13233	1067

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	2-May-14	25-Apr-14	2-Apr-14	2-May-13
Rajasthan	Jodhpur (Loose)	Closed	4900	4450	6000
	Jodhpur(Delivery)	Closed	5100	4650	6500
	Sri-Ganganagar(Loose)	5350	5000	4500	6200
	Sri-Ganganagar (Delivery)	5400	5200	4600	6400
	Nagaur (Loose)	5100	4800	4200	5900
	Alwar (loose)	4850	4700	4200	6000
	Churu (Delivery)	5300	5000	4700	6500
	Bikaner (Loose)	Closed	4950	4525	6150
	Bikaner (Delivery)	Closed	5100	4675	6400
	Khajuwala Bikaner (Loose)	Closed	4950	4470	6200
	Khajuwala Bikane(Delivery)	Closed	5148	4649	6448
	Nokha(Loose)	Closed	4900	4480	6200
	Nokha (Delivery)	Closed	5076	4641	6423
	Hanumangarh (Loose)	Closed	5000	4300	6275
	Hanumangarh (Delivery)	Closed	5150	4500	6500
Haryana	Adampur (Loose)	5100	5000	4500	6500
	Adampur (Delivery)	5250	5200	4700	6800
	Sirsa (Loose)	5300	5100	4800	-
	Bhiwani (Delivery)	5250	5000	4550	6200
	Dhabwali (Loose)	5150	4925	4450	6200
	Dhabwali (Delivery)	5300	5100	4628	6500
	Siwani (Loose)	5275	5000	4600	6300
	Ellanabad (Loose)	5250	5150	4525	6400
Gujarat	Deesa (Loose)	Closed	NA	4040	5750
	Patan (Loose)	-	NA	4220	6030
	Rajkot (Loose)	4750	4505	4055	4000
Madhya pradesh	Dabra (Loose)	Closed	NA	3700	-
Guar Gum					
Rajasthan	Jodhpur	Closed	13750	14700	17000
	Alwar	14500	14000	13000	17000
Haryana	Sirsa	14000	13500	12700	-
	Bhiwani	14900	14800	12900	17000
	Dhabwali	14000	13800	12700	17000
	Ellanabad	14500	13800	12900	16500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)		Change	
		26th April to 2 May 14		19th to 25th April 14
Rajasthan	Jodhpur	4990	1100	3890
	Sri-Ganganagar	30200	5700	24500
	Nagaur	3250	950	2300
	Alwar	12400	2400	10000
	Churu	8750	3500	5250
	Bikaner	22100	7000	15100
	Khajuwala Bikaner	10200	2900	7300
	Nokha	14200	5300	8900
	Hanumangarh	8550	120	8430
Haryana	Adampur	65000	14000	51000
	Sirsa	41500	13500	28000
	Bhiwani	9900	4000	5900
	Dhabwali	9340	3420	5920
	Siwani	46000	10000	36000
	Ellanabad	14300	2500	11800
Gujarat	Deesa	2045	183	1862
	Patan (Loose)	842	NA	-
	Rajkot	19475	4325	15150
Madhya pradesh	Dabra	11200	1300	9900
Total Arrival		334242	82198	252044

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

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	May	4415	4545	5530	5600	5800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	Sell	Below 5560	5478	5395	5595

Commodity: Guar Gum
Contract: May

Exchange: NCDEX
Expiry: May 20, 2013

Guar Gum (May Weekly Chart)

GUARGUM 1405(NCGUGK4)2014/05/04 - Weekly B:14570.00 A:14600.00
O 14770.00 H 15030.00 L 14220.00 C 14580.00 V 5,852 I 3,648 -150 -1.02%



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	May	12035	12380	14730	15000	15800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	Sell	15000	14775	14465	15320

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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