

Domestic Market Recap:

- All India arrival of guar seed in last week is approx 2% down from last week and prices are ruling higher than previous week in all major places.
- 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.
- Prices of guar seed improved from last couple of sessions as markets are discounting the rumors of less rainfall thanks to El Nino predictions by various weather departments.
- India is offering Rs 128/kg FOB guar split as reported. Recent surge in Rupee affect the guar splits exports.
- Presently, India accounts for more than three-fourth (or nearly 80 percent) of the total world Guar bean production. The other major producers of Guar are Pakistan, USA, South Africa, Malawi, Zaire and Sudan.

Current Market Dynamics

Market is presently hovering in Rs 4500-5400 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 26000 bags of guar seed arrived in Jodhpur market last week 2014 which was 28970 bags last month. Presently, around 9000- 26000 bags of guar seed arrive in all India markets on a weekly basis as reported.

Export and Import Scenario

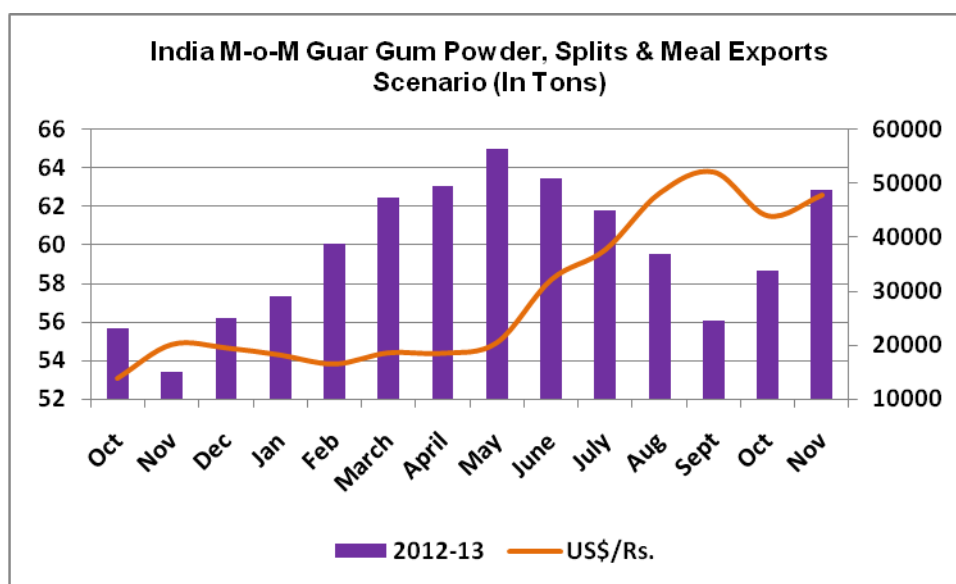
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

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.

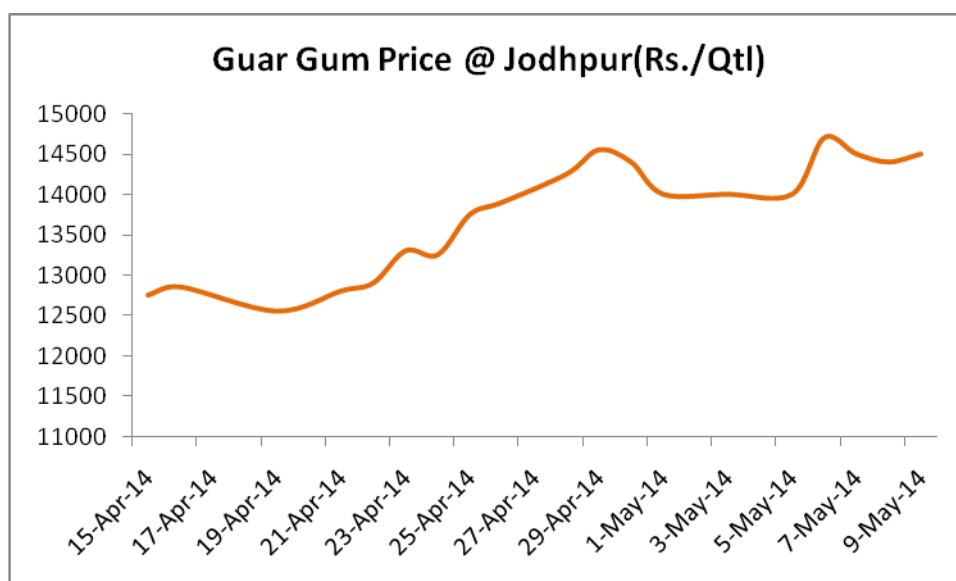
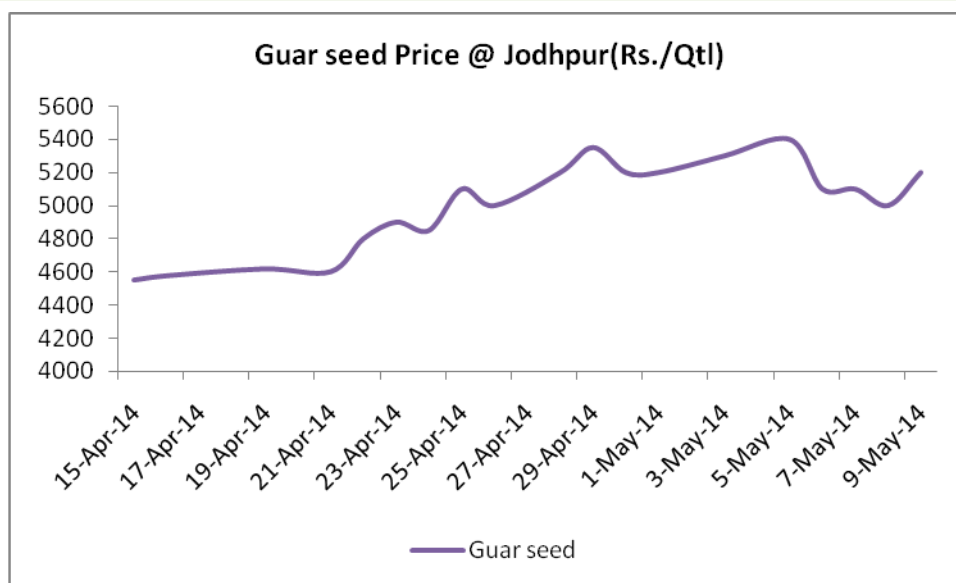
Demand Side of Guar and Guar Gum:

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

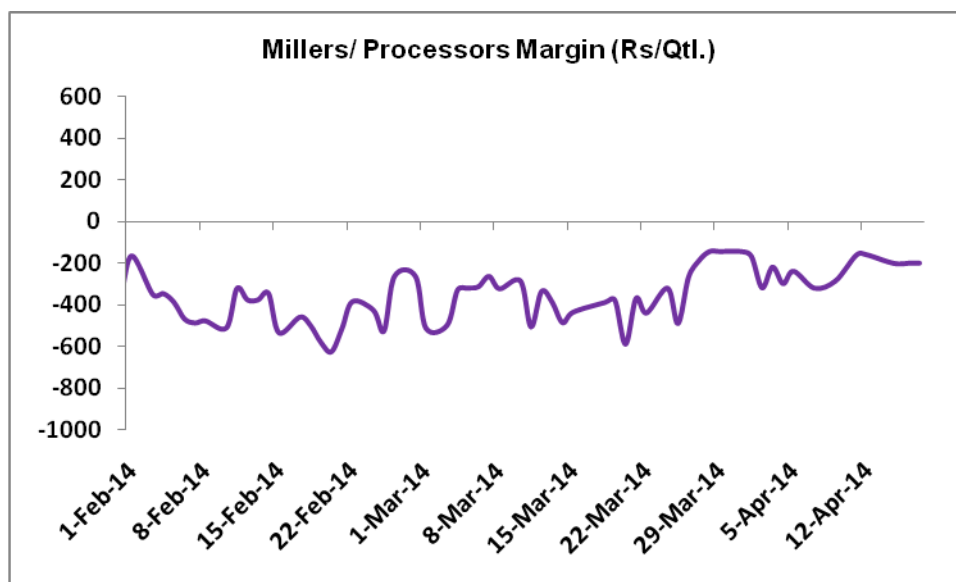


Price Scenario

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	3rd to 9th May 14	26th April to 2 May 14	Change
Churi	Jodhpur	1040	995	45
Korma	Jodhpur	1517	1420	97
Churi	Sri-Ganganagar	1008	945	63
Korma	Sri-Ganganagar	1458	1375	83
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	3rd to 9th May 14	26th April to 2 May 14	Change
Guargum Split		2427	2411	16
Guargum Powder	200 Mesh 5000 CPS	2927	2908	19
	200 Mesh 3500 CPS	2760	2742	18

Guargum Meal	40%	300	293	7
	50%	400	400	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	3rd to 9th May 14	26th April to 2 May 14	
Rajasthan	Jodhpur (Loose)	4967	4611	356
	Jodhpur(Delivery)	5183	4811	372
	Sri-Ganganagar(Loose)	5246	4758	488
	Sri-Ganganagar (Delivery)	5358	4902	456
	Nagaur (Loose)	4908	4500	408
	Alwar (loose)	4800	4483	317
	Churu (Delivery)	5200	4767	433
	Bikaner (Loose)	5200	4689	511
	Bikaner (Delivery)	5367	4825	542
	Khajuwala Bikaner (Loose)	5162	4644	518
	Khajuwala Bikane(Delivery)	5359	4830	529
	Nokha(Loose)	5096	4632	464
	Nokha (Delivery)	5280	4798	481
	Hanumangarh (Loose)	NR	4675	-
	Hanumangarh (Delivery)	NR	4863	-
Haryana	Adampur (Loose)	5242	4754	488
	Adampur (Delivery)	5442	4963	479
	Sirsa (Loose)	5325	4767	558
	Bhiwani (Delivery)	5238	4742	496
	Dhabwali (Loose)	NR	4656	-
	Dhabwali (Delivery)	NR	4837	-
	Siwani (Loose)	5300	4719	581
	Ellanabad (Loose)	5260	4757	504
Gujarat	Deesa (Loose)	4714	4110	604
	Patan (Loose)	NR	NA	-
	Rajkot (Loose)	4848	4303	546
Madhya pradesh	Dabra (Loose)	4267	3600	667
Guar Gum				

Rajasthan	Jodhpur	14450	1309 2	1358
	Alwar	14500	1316 7	1333
Haryana	Sirsa	13667	1258 3	1083
	Bhiwani	14537	1380 3	733
	Dhabwali	NR	1312 5	-
	Ellanabad	14483	1323 3	1250

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	9-May-14	2-May-14	7-Apr-14	8-May-13
Rajasthan	Jodhpur (Loose)	5000	4900	4400	8800
	Jodhpur(Delivery)	5200	5100	4600	9200
	Sri-Ganganagar(Loose)	5300	5000	4350	8800
	Sri-Ganganagar (Delivery)	5300	5200	4500	9200
	Nagaur (Loose)	4950	4800	4300	8700
	Alwar (loose)	NA	4700	4125	8500
	Churu (Delivery)	NA	5000	NA	9000
	Bikaner (Loose)	5100	4950	4400	8800
	Bikaner (Delivery)	5300	5100	4600	9100
	Khajuwala Bikaner (Loose)	5100	4950	NA	NA
	Khajuwala Bikaner(Delivery)	5304	5148	NA	NA
	Nokha(Loose)	NA	4900	4300	8600
	Nokha (Delivery)	NA	5076	4455	8960
	Hanumangarh (Loose)	NA	5000	4300	NA
	Hanumangarh (Delivery)	NA	5150	4500	NA
Haryana	Adampur (Loose)	5200	5000	NA	9400
	Adampur (Delivery)	5400	5200	NA	10000
	Sirsa (Loose)	5200	5100	4600	9000
	Bhiwani (Delivery)	5200	5000	4500	9000
	Dhabwali (Loose)	NA	4925	4300	NA
	Dhabwali (Delivery)	NA	5100	4472	NA
	Siwani (Loose)	5350	5000	4400	NA
	Ellanabad (Loose)	5251	5150	4320	NA

Gujarat	Deesa (Loose)	4740	NA	4055	8500
	Patan (Loose)	NA	NA	4165	8665
	Rajkot (Loose)	4950	4505	4110	8920
Madhya pradesh	Dabra (Loose)	4000	NA	3800	8500
Guar Gum					
Rajasthan	Jodhpur	14600	13750	12500	27300
	Alwar	NA	14000	NA	27500
Haryana	Sirsa	14000	13500	12500	27000
	Bhiwani	14700	14800	12700	27500
	Dhabwali	NA	13800	12500	NA
	Ellanabad	14600	13800	12500	NA

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		3rd to 9th May 14	26th April to 2 May 14	
Rajasthan	Jodhpur	1450	1100	350
	Sri-Ganganagar	5500	5700	-200
	Nagaur	1500	950	550
	Alwar	5000	2400	2600
	Churu	200	3500	-3300
	Bikaner	5500	7000	-1500
	Khajuwala Bikaner	2950	2900	50
	Nokha	3900	5300	-1400
	Hanumangarh	NR	120	-
Haryana	Adampur	17500	14000	3500
	Sirsa	12500	13500	-1000
	Bhiwani	2800	4000	-1200
	Dhabwali	NR	3420	-
	Siwani	9000	10000	-1000
	Ellanabad	3600	2500	1100
Gujarat	Deesa	872	183	689
	Patan (Loose)	NR	NA	-
	Rajkot	6190	4325	1865
Madhya pradesh	Dabra	2200	1300	900
Total Arrival		80662	82198	-1536

Commodity: Guar Seed
Contract: June

Exchange: NCDEX
Expiry: June 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.
- Fall in prices and with rise in OI indicates short build up in the prices.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	June	4415	4545	5465	5600	5800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Sell	Below 5540	5400	5350	5585

Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 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: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	12035	12380	14730	15000	15800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	14920	14565	14500	14975

Spot Market Technical Analysis of Guar seed & Guar gum

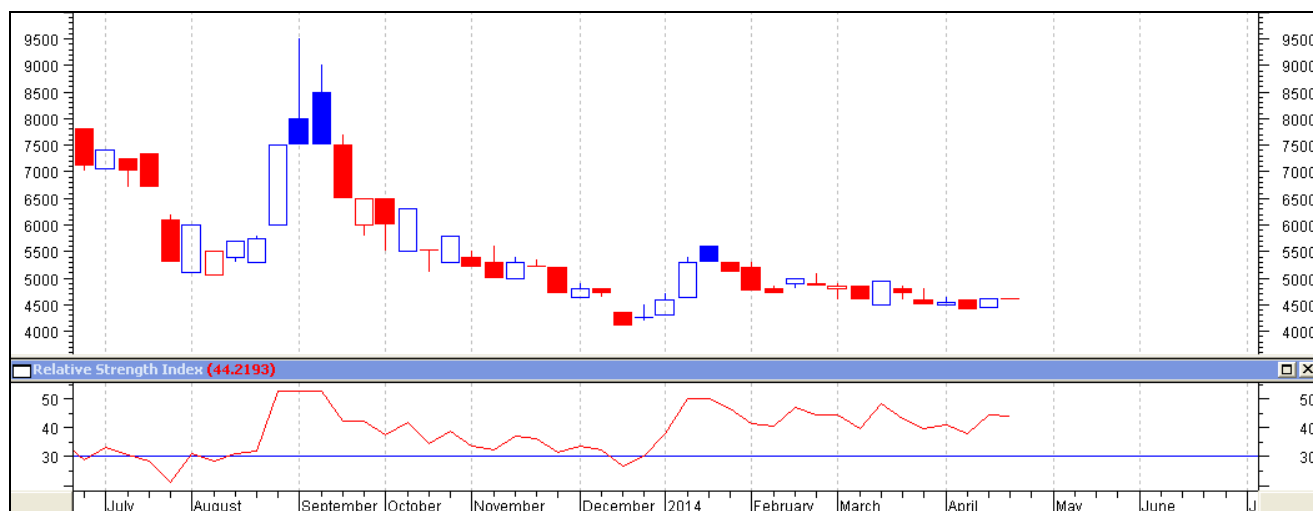


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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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