

Domestic Market Recap:

- Prices of guar seed and gum moved steady to weak last week.
- Recent showers in Rajasthan region become the major influencing factor which led the prices down of guar from last couple of weeks. Notably, water levels in major dams in Rajasthan are not sufficient enough and if El Nino come into affect then prices of guar seed will move up in the coming months as expected.
- Meanwhile, stockists are bullish on guar in the coming months ahead due to lower monsoon precipitation forecast from various weather agencies. It is notable that future of guar prices are totally depend on weather.
- As per expectation of Agriwatch, if monsoon remained normal in the coming months then prices will fall upto Rs. 3500-4000 per quintal. However, if monsoon fall short below normal then prices of guar seed would go upto Rs. 6000 to 6500 per quintal.
- Major stockists are not releasing stock in anticipation of higher price in the months ahead. Any fresh gum demand from foreign buyers might encourage guar price.

Current Market Dynamics

Prices recently breach Rs 4000-5000 per quintal range which was trading from last 3-4 months. Now, stockists and millers are showing their interest in purchasing guar with every dip due to El Nino effect. It is notable that guar prices are highly correlated with rainfall. It is like when the rainfall is getting higher than prices of guar seed generally moved down and vice versa.

This year, most of the weather forecaster are predicting El Nino effect in India which means lesser rainfall in July-Sept period which are closely monitoring by Punters.

As far as arrivals are concerned, around 1200 bags of guar seed arrived in Jodhpur market last week 2014 which was 1450 bags last month.

Export and Import Scenario

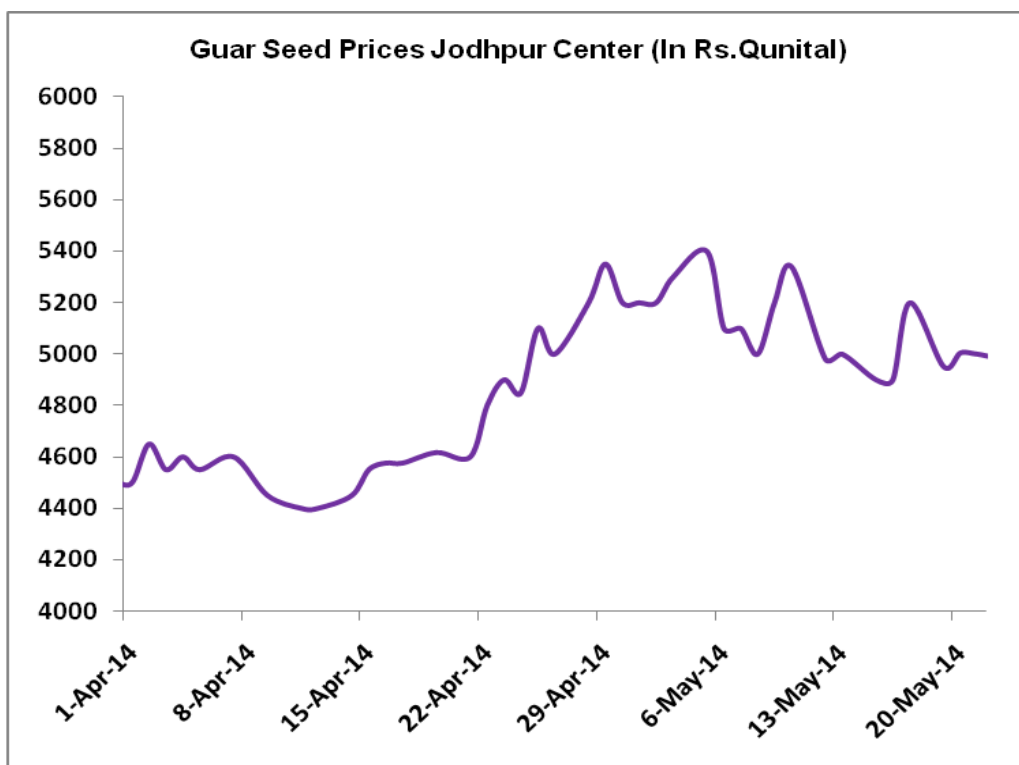
Presently, export demand from US and China remained consistent but not going to increase by huge volume as US has already huge stocks in Houston as reported.

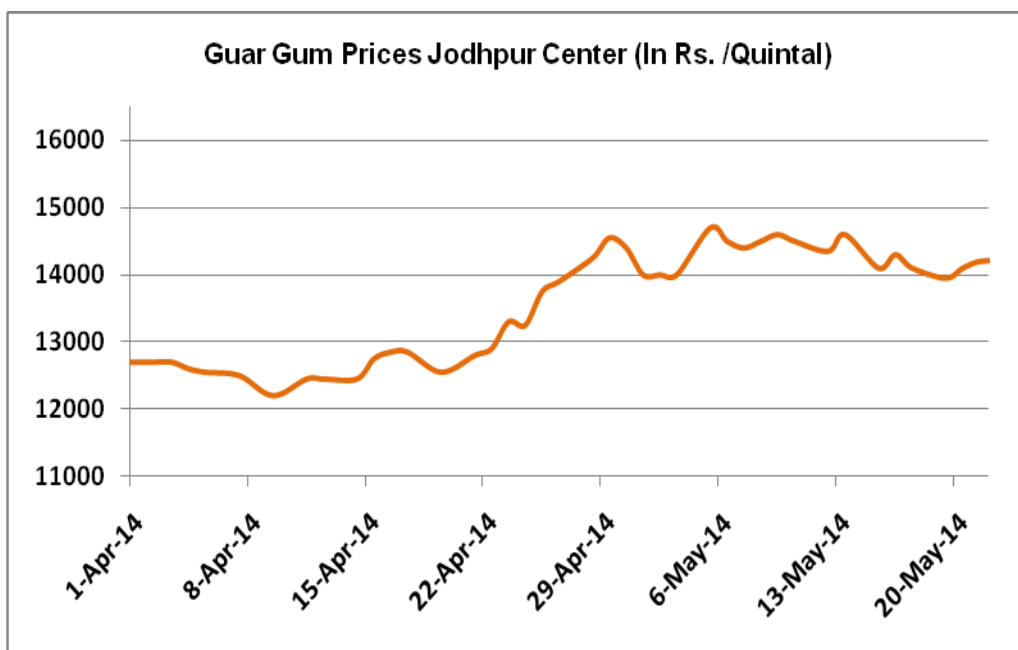
In addition to it, recent incident in west texas guar, US farmers discourage to plant guar for the coming year as they haven't got the payments for 2013 guar crop from the company. This also indicates that guar demand from overseas are not looking pretty much lucrative at present.

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.

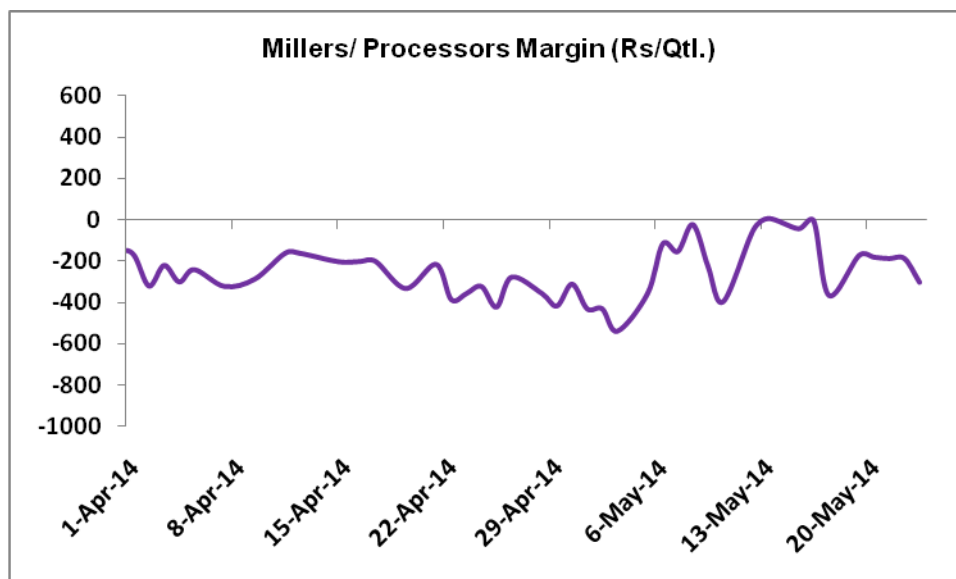
Price Scenario

Guar seed and Gum weekly average prices improved slightly during the week. In the second week of May, the average price of guar seed declined slightly by -0.03% to Rs.5024/Qtl compared to prior week. Also, guar gum prices declined last week by -1% to Rs.14370/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 Second week of May 2014, average crush margin stood at Rs. -96/Quintal which was -234 per quintal last week. Increase in Churi and korma average prices led the margin up this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	10th to 16th May 14	3rd to 9th May 14	Change
Churi	Jodhpur	1036	1040	-4
Korma	Jodhpur	1530	1517	13
Churi	Sri-Ganganagar	990	1008	-18
Korma	Sri-Ganganagar	1485	1458	27
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	10th to 16th May 14	3rd to 9th May 14	Change
Guargum Split		2425	2427	-2
Guargum Powder	200 Mesh 5000 CPS	2928	2927	1
	200 Mesh 3500 CPS	2760	2760	Unch
Guargum Meal	40%	300	300	Unch
	50%	400	400	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	10th to 16th May 14	3rd to 9th May 14	
Rajasthan	Jodhpur (Loose)	4774	4967	-193
	Jodhpur(Delivery)	5024	5183	-159
	Sri-Ganganagar(Loose)	5046	5246	-200
	Sri-Ganganagar (Delivery)	5230	5358	-128
	Nagaur (Loose)	4900	4908	-8
	Alwar (loose)	4730	4800	-70
	Churu (Delivery)	NR	5200	-
	Bikaner (Loose)	5040	5200	-160
	Bikaner (Delivery)	5210	5367	-157
	Khajuwala Bikaner (Loose)	5028	5162	-134
	Khajuwala Bikane(Delivery)	5237	5359	-122
	Nokha(Loose)	4920	5096	-176
	Nokha (Delivery)	5097	5280	-183
	Hanumangarh (Loose)	NA	NA	-

	Hanumangarh (Delivery)	NA	NA	-
Haryana	Adampur (Loose)	5080	5242	-162
	Adampur (Delivery)	5300	5442	-142
	Sirsa (Loose)	5050	5325	-275
	Bhiwani (Delivery)	5170	5238	-68
	Dhabwali (Loose)	NA	NA	-
	Dhabwali (Delivery)	NA	NA	-
	Siwani (Loose)	5156	5300	-144
	Ellanabad (Loose)	5060	5260	-200
Gujarat	Deesa (Loose)	4601	4714	-113
	Patan (Loose)	4659	NR	-
	Rajkot (Loose)	4578	4848	-271
Madhya pradesh	Dabra (Loose)	3960	4267	-307
Guar Gum				
Rajasthan	Jodhpur	14370	14450	-80
	Alwar	NR	14500	-
Haryana	Sirsa	13700	13667	33
	Bhiwani	14320	14537	-217
	Dhabwali	NA	NR	-
	Ellanabad	14340	14483	-143

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	16-May-14	9-May-14	16-Apr-14	16-May-13
Rajasthan	Jodhpur (Loose)	4700	5000	4376	9200
	Jodhpur(Delivery)	4900	5200	4576	9600
	Sri-Ganganagar(Loose)	4950	5300	4550	8800
	Sri-Ganganagar (Delivery)	5200	5300	4600	9100
	Nagaur (Loose)	5000	4950	4200	8900
	Alwar (loose)	4650	4800	4350	8600
	Churu (Delivery)	NR	NA	NR	9100
	Bikaner (Loose)	4900	5100	4500	9250
	Bikaner (Delivery)	5100	5300	4650	9500
	Khajuwala Bikaner (Loose)	4940	5100	4500	9200
	Khajuwala Bikaner(Delivery)	5138	5304	4680	9600
	Nokha(Loose)	4800	NA	4450	9000
	Nokha (Delivery)	4973	NA	4610	9324
	Hanumangarh (Loose)	NA	NA	4450	NA

	Hanumangarh (Delivery)	NA	NA	4650	NA
Haryana	Adampur (Loose)	4900	5200	4550	9400
	Adampur (Delivery)	5100	5400	4700	9700
	Sirsa (Loose)	5100	5200	4600	9000
	Bhiwani (Delivery)	5050	5200	4700	9200
	Dhabwali (Loose)	NA	NA	4600	9000
	Dhabwali (Delivery)	NA	NA	4784	9300
	Siwani (Loose)	5025	5350	4625	NR
	Ellanabad (Loose)	4900	5251	4600	NR
Gujarat	Deesa (Loose)	4450	4740	4000	8565
	Patan (Loose)	4580	NA	NR	8675
	Rajkot (Loose)	4650	4950	4250	8700
Madhya pradesh	Dabra (Loose)	3800	4000	Closed	8500
Guar Gum					
Rajasthan	Jodhpur	14300	14600	12850	27400
	Alwar	NR	NA	NR	27500
Haryana	Sirsa	13500	14000	12600	28000
	Bhiwani	14000	14700	13350	27800
	Dhabwali	NR	NA	12800	28000
	Ellanabad	14100	14600	12900	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		10th to 16th May 14	3rd to 9th May 14	
Rajasthan	Jodhpur	1200	1450	-250
	Sri-Ganganagar	3500	5500	-2000
	Nagaur	680	1500	-820
	Alwar	3100	5000	-1900
	Churu	NR	200	-
	Bikaner	3000	5500	-2500
	Khajuwala Bikaner	1300	2950	-1650
	Nokha	3000	3900	-900
	Hanumangarh	NA	NR	-
Haryana	Adampur	14000	17500	-3500
	Sirsa	2200	12500	-10300
	Bhiwani	3100	2800	300
	Dhabwali	NA	NR	-
	Siwani	5500	9000	-3500
	Ellanabad	3200	3600	-400

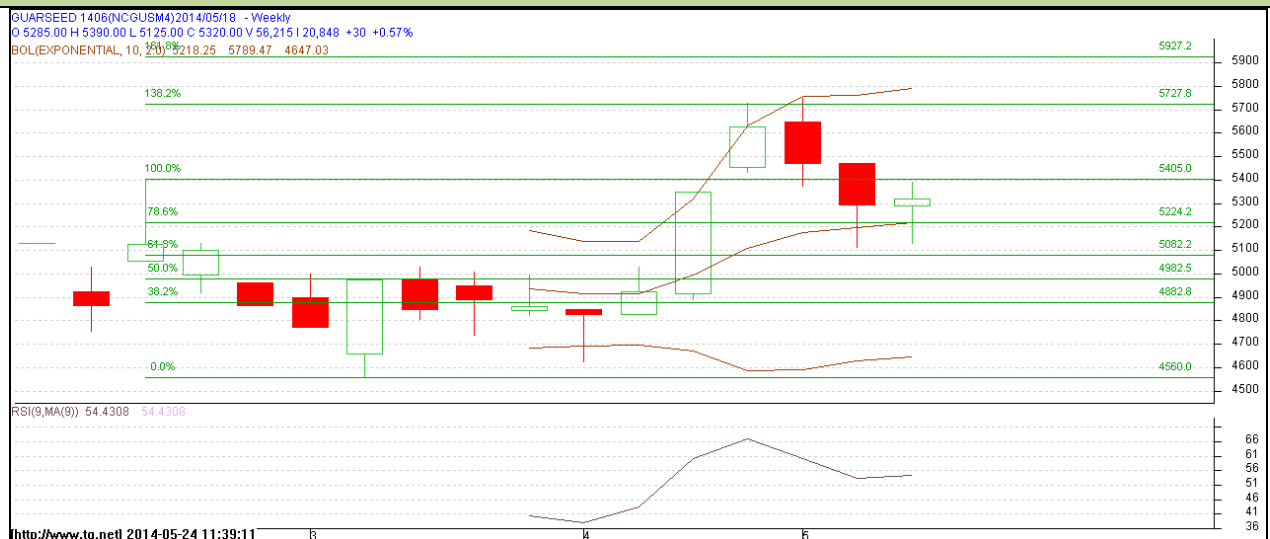


Gujarat	Deesa	377	872	-495
	Patan (Loose)	363	NR	-
	Rajkot	3435	6190	-2755
Madhya pradesh	Dabra	1150	2200	-1050
Total Arrival		49105	80662	-31557

Commodity: Guar Seed
Contract: June

Exchange: NCDEX
Expiry: June 20, 2014

Guar Seed (Weekly June Contract Chart)



Technical Commentary:

- Guar prices are showing some weakness on the charts but overall contract trend remained bullish.
- RSI is moving towards neutral region.
- Breach of Rs 5405 would take the prices upto Rs. 5730.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	June	4880	4980	5290	5405	5730
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Buy	Above 5100	5200	5250	5040

Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 20, 2014

Guar Gum (June Weekly Chart)



Technical Commentary:

- Guar prices are still trading in an uptrend as chart depicts.
- However, RSI is hovering at neutral region.
- Breach of Rs 13700 would take the prices down to Rs 12300. On upside, breach of Rs 15100 would take the prices up to Rs 16500.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	13360	13600	14220	15270	15780
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Buy	Above 13980	14300	14450	13800

Spot Market Technical Analysis of Guar seed & Guar gum

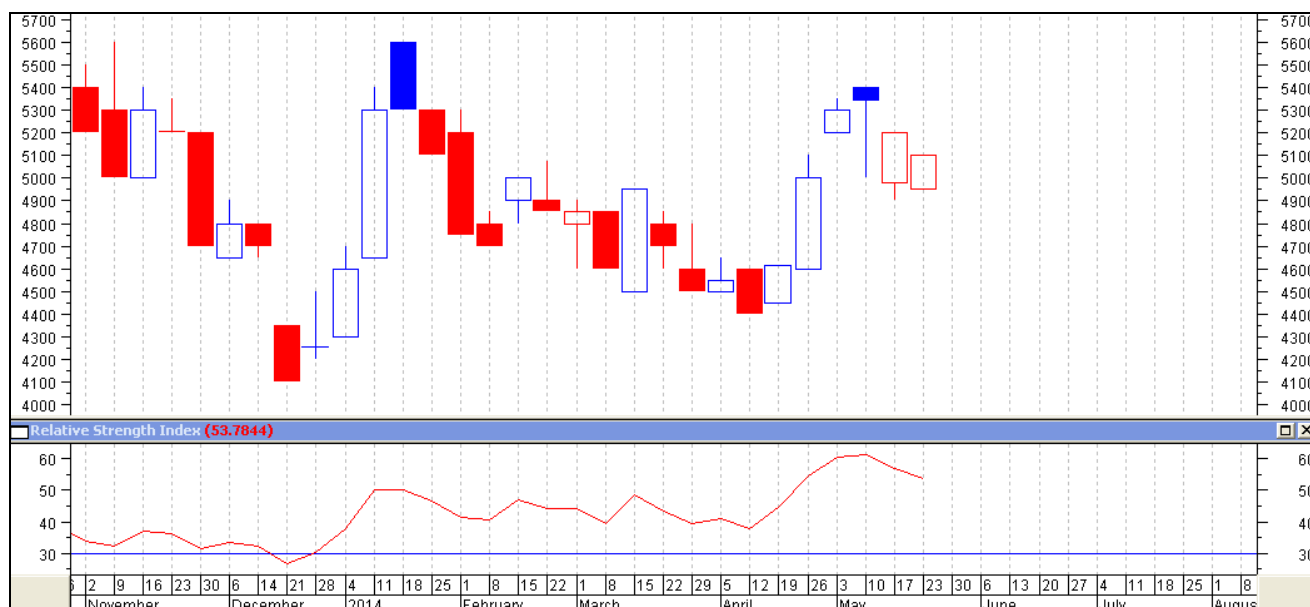


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

Guar seed prices moving in a range. Breach of Rs 5600 level could give the reversal trend indication and could test Rs 6200-6400 level for Jodhpur market as expected. It is notable that still trend is down as chart depicts.

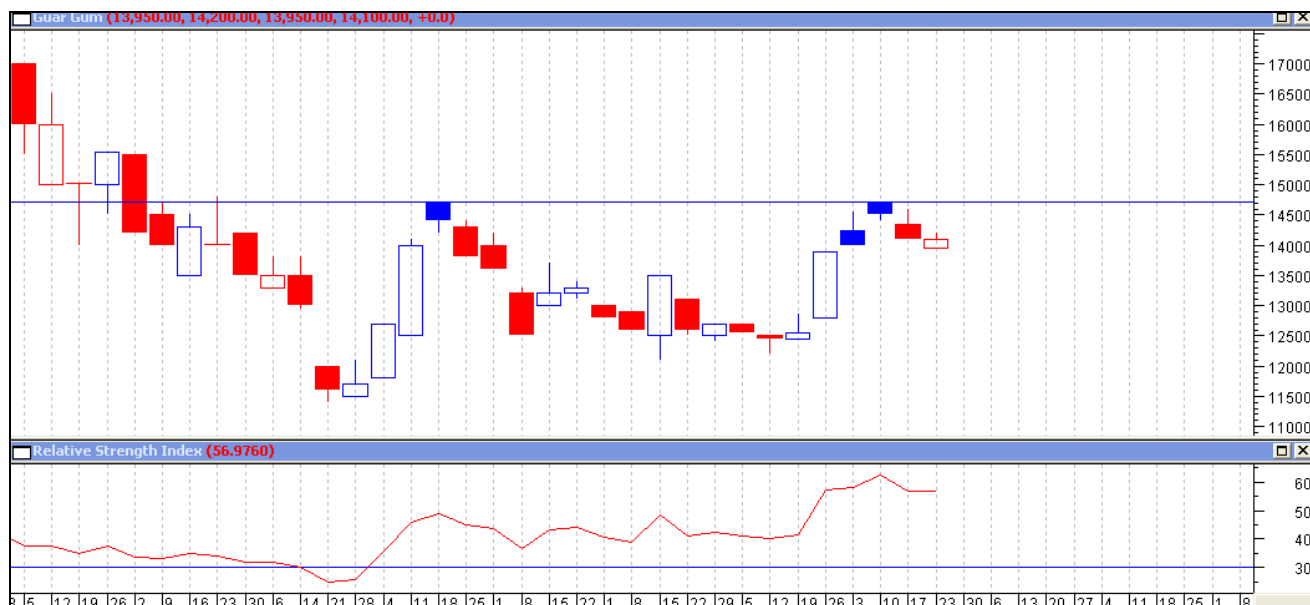


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

Prices of guar gum declined last week despite of lower arrivals and. Breach of Rs 14600 level by upwards could take the prices upto Rs 16000. However, still prices are consolidating in a range with weak tone.

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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