

## Domestic Market Recap:

- Mixed sentiments recorded in guar seed and gum prices during last week.
- Reportedly, with increase in prices, guar arrival has increased in the markets.
- Cotton (Substitute crop of Guar seed) sowing hampers due to low water availability. Germination is not happening for Cotton which might urge farmers to go for Guar sowing in July-Aug as expected.
- India has exported around 9184 tons of guar gum powder and 1940 tons of Guar splits in the week ended 25<sup>th</sup> May 2014.
- Guar price direction also depends on Cotton sowing which is still going on in Rajasthan. If cotton sowing lowered down this year compared to last year than guar sowing is likely to increase for the coming marketing year.
- 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.
- 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 rainfall fall short below normal then prices of guar seed would go upto Rs. 6000 to 6500 per quintal.

## 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 1550 bags of guar seed arrived in Jodhpur market last week 2014 which was 1500 bags last month.

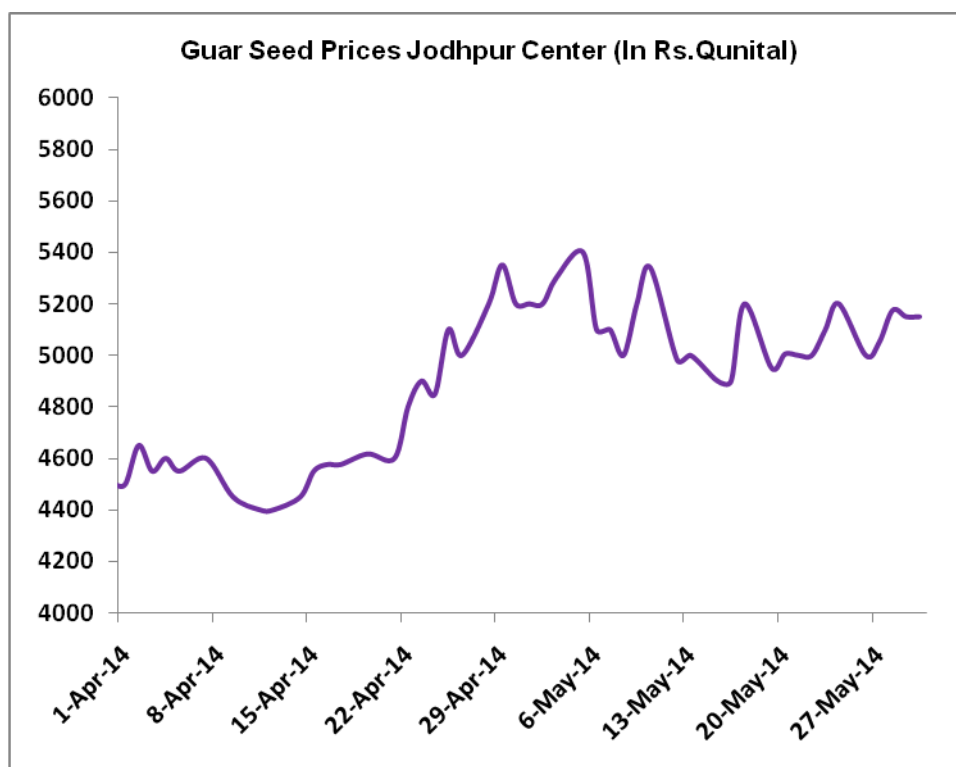
## Export and Import Scenario

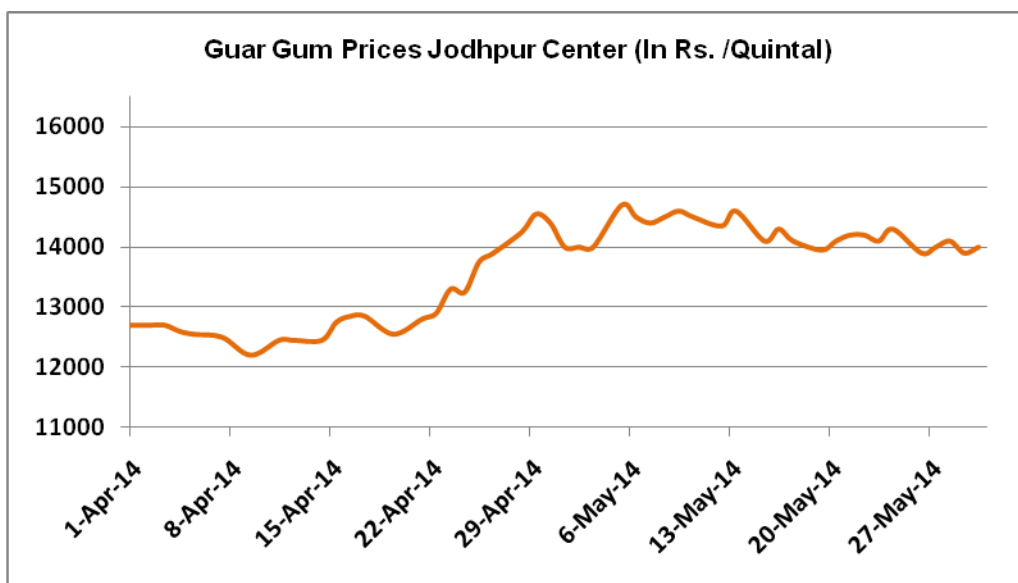
In the third week of May, India has exported around 9184 tons of guar gum powder and 1940 tons of Guar splits in the week ended 25<sup>th</sup> May 2014, according to IBIS data.

It is notable that around 10000 tons of guar meal, 6400 tons of guar splits and 32036.9 tons of guar gum powder has been exported by India in the month of May till 25<sup>th</sup> May.

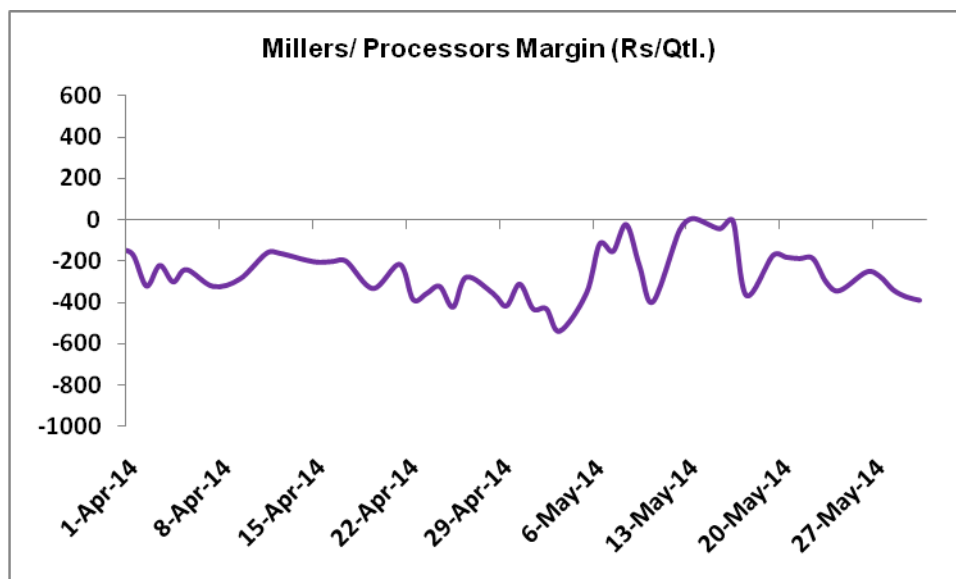
## Price Scenario

In the fourth week of May, the average price of guar seed improved slightly by 2% to Rs.5120/Qtl compared to prior week. However, guar gum prices declined last week by -1% to Rs.14033/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 fourth week of May 2014, average crush margin stood at Rs. -326/Quintal which was -231 per quintal last week. Increase in guar seed average prices and slightly decline in guar gum prices led the margin down this week.

**Guar by – Products Weekly Average Prices:**

Commodity	Centre	24th to 30th May 14	17th to 23th May 14	Change
Churi	Jodhpur	1018	992	26
Korma	Jodhpur	1448	1458	-10
Churi	Sri-Ganganagar	967	957	10
Korma	Sri-Ganganagar	1445	1525	-80
Prices in Rs/75kg				

**Guar Export Weekly Average Prices:**

Commodity	Variety	24th to 30th May 14	17th to 23th May 14	Change
Guargum Split		2414	2412	2
Guargum Powder	200 Mesh 5000 CPS	2703	2808	-105
	200 Mesh 3500 CPS	2643	2694	-51
Guargum Meal	40%	300	300	Unch
	50%	400	400	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	24th to 30th May 14	17th to 23th May 14	
Rajasthan	Jodhpur (Loose)	4900	4826	74
	Jodhpur(Delivery)	5121	5043	78
	Sri-Ganganagar(Loose)	4967	4958	8
	Sri-Ganganagar (Delivery)	5150	5142	8
	Nagaur (Loose)	4867	4850	17
	Alwar (loose)	4633	4705	-72
	Churu (Delivery)	4975	NA	-
	Bikaner (Loose)	4979	5008	-29
	Bikaner (Delivery)	5133	5158	-25
	Khajuwala Bikaner (Loose)	4912	4932	-20
	Khajuwala Bikane(Delivery)	5108	5129	-21
	Nokha(Loose)	4908	4912	-3
	Nokha (Delivery)	5085	5088	-3
	Hanumangarh (Loose)	NA	NA	-
	Hanumangarh (Delivery)	NA	NA	-
Haryana	Adampur (Loose)	4990	4958	32

	Adampur (Delivery)	5158	5150	8
	Sirsa (Loose)	5000	5050	-50
	Bhiwani (Delivery)	5075	5067	8
	Dhabwali (Loose)	4959	4915	44
	Dhabwali (Delivery)	5163	5120	43
	Siwani (Loose)	5092	5058	33
	Ellanabad (Loose)	5018	5039	-21
Gujarat	Deesa (Loose)	4710	4532	178
	Patan (Loose)	4652	4648	4
	Rajkot (Loose)	4693	4656	37
Madhya pradesh	Dabra (Loose)	3166	3616	-450
Guar Gum				
Rajasthan	Jodhpur	14033	14108	-75
	Alwar	13975	14100	-125
Haryana	Sirsa	12750	12967	-217
	Bhiwani	13825	13850	-25
	Dhabwali	14133	14170	-37
	Ellanabad	14067	14017	50

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	30-May-14	23-May-14	30-Apr-14	30-May-13
Rajasthan	Jodhpur (Loose)	4900	4900	5000	8150
	Jodhpur(Delivery)	5150	5100	5200	8500
	Sri-Ganganagar(Loose)	5000	5050	5300	7700
	Sri-Ganganagar (Delivery)	5150	5200	5500	8100
	Nagaur (Loose)	4800	4900	5050	7800
	Alwar (loose)	4650	4700	5050	7500
	Churu (Delivery)	NR	5000	5250	8000
	Bikaner (Loose)	4950	5125	5250	8400
	Bikaner (Delivery)	5000	5300	5400	8700
	Khajuwala Bikaner (Loose)	4850	5000	5150	8350
	Khajuwala Bikaner(Delivery)	5044	5200	5356	8750
	Nokha(Loose)	4950	5050	5170	8000
	Nokha (Delivery)	5128	5232	5356	8290
	Hanumangarh (Loose)	NA	NA	5200	NA
	Hanumangarh (Delivery)	NA	NA	5400	NA

Haryana	Adampur (Loose)	5000	5000	5200	8500
	Adampur (Delivery)	5200	5200	5400	
	Sirsa (Loose)	5100	5100	5500	7900
	Bhiwani (Delivery)	5100	5100	5200	7700
	Dhabwali (Loose)	4950	5000	5300	8200
	Dhabwali (Delivery)	5150	5200	5400	8400
	Siwani (Loose)	5100	5100	5250	NA
	Ellanabad (Loose)	5000	5120	5400	NA
Gujarat	Deesa (Loose)	4655	4500	Closed	NA
	Patan (Loose)	4590	4715	Closed	7880
	Rajkot (Loose)	NR	4750	Closed	8005
Madhya pradesh	Dabra (Loose)	3800	4000	3500	7500
Guar Gum					
Rajasthan	Jodhpur	14000	14100	14400	27200
	Alwar	NR	14100	14500	25000
Haryana	Sirsa	13000	13000	14000	26000
	Bhiwani	13750	13700	14400	25000
	Dhabwali	14000	14350	14300	26500
	Ellanabad	14000	14300	14500	NA

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		24th to 30th May 14	17th to 23th May 14	
Rajasthan	Jodhpur	1550	1500	50
	Sri-Ganganagar	6500	5400	1100
	Nagaur	800	1550	-750
	Alwar	5200	4600	600
	Churu	1900	500	1400
	Bikaner	3200	3000	200
	Khajuwala Bikaner	2700	2150	550
	Nokha	4500	5200	-700
	Hanumangarh	NA	NA	-
Haryana	Adampur	21500	22500	-1000
	Sirsa	12000	12000	Unch
	Bhiwani	3500	2200	1300
	Dhabwali	1475	370	1105
	Siwani	10500	9500	1000
	Ellanabad	3700	3450	250
Gujarat	Deesa	583	666	-83

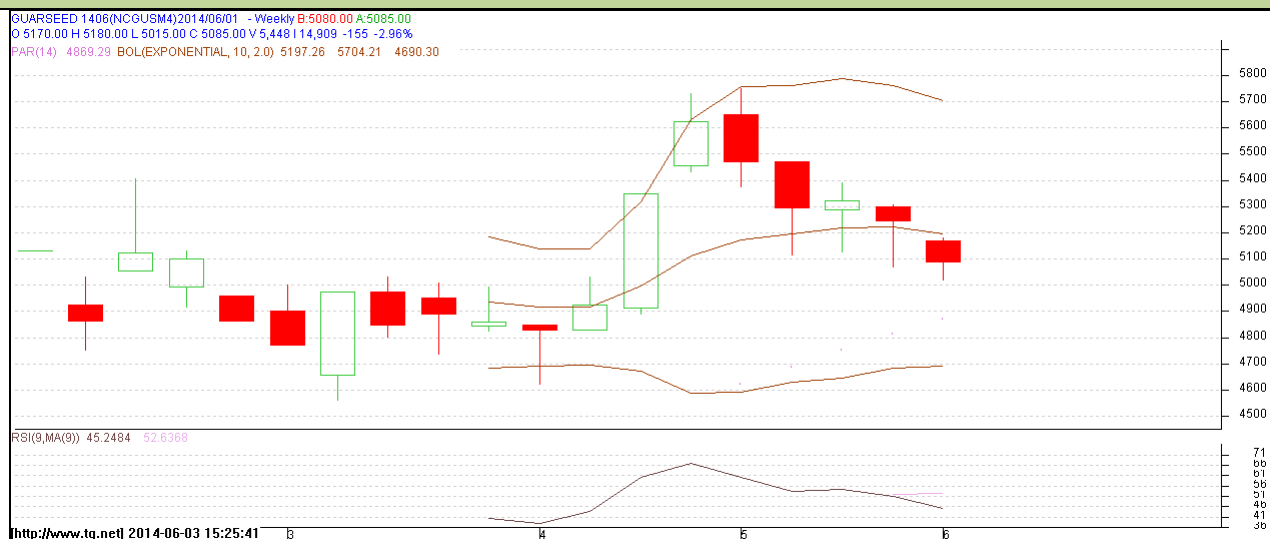


	Patan (Loose)	973	904	69
	Rajkot	3620	6525	-2905
Madhya pradesh	Dabra	4600	2700	1900
Total Arrival		88801	84715	4086

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. However, still market is in overall hovering in bullish trend.
- RSI is moving towards neutral region.
- Last candlestick depicts bearishness in the market.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	June	4183	4620	5240	5405	5730
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Sell	Below 5200	4900	4750	5380

**Commodity: Guar Gum**  
**Contract: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2014**

## Guar Gum (June Weekly Chart)



### Technical Commentary:

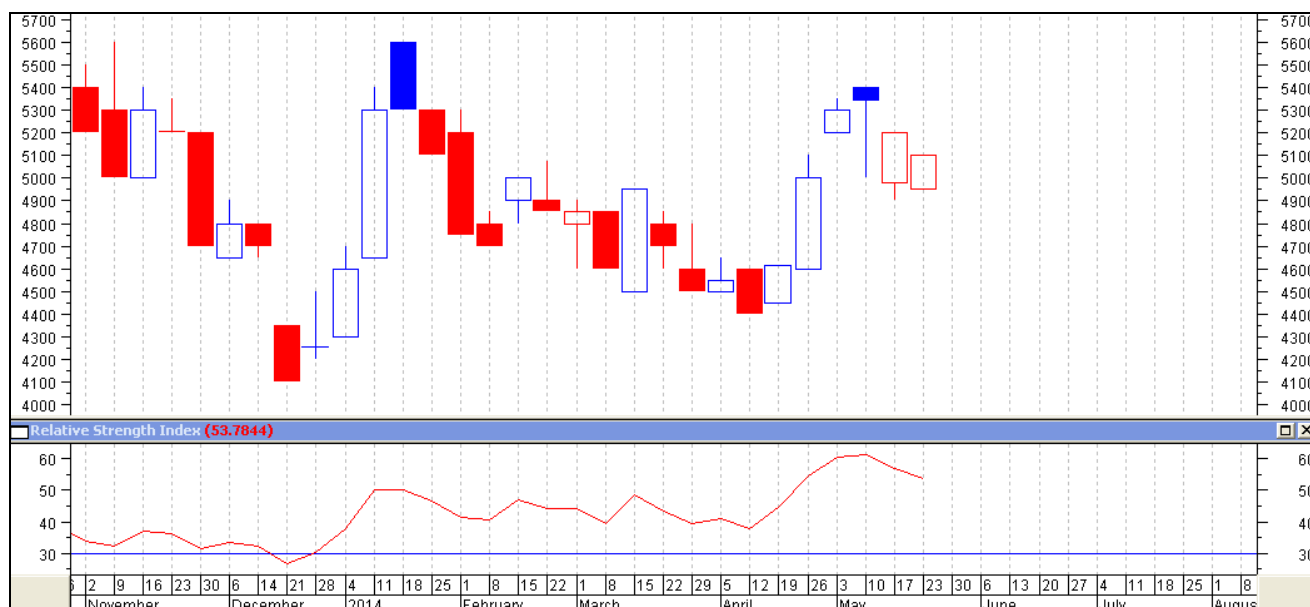
- Guar prices are still trading in an uptrend as chart depicts.
- However, RSI is hovering at neutral region.
- Breach of Rs 13700 would take the prices down to Rs 12300. On upside, breach of Rs 15100 would take the prices up to Rs 16500.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	12290	12920	14120	15270	15780
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	<b>Sell</b>	Below 14100	13600	14350	13800

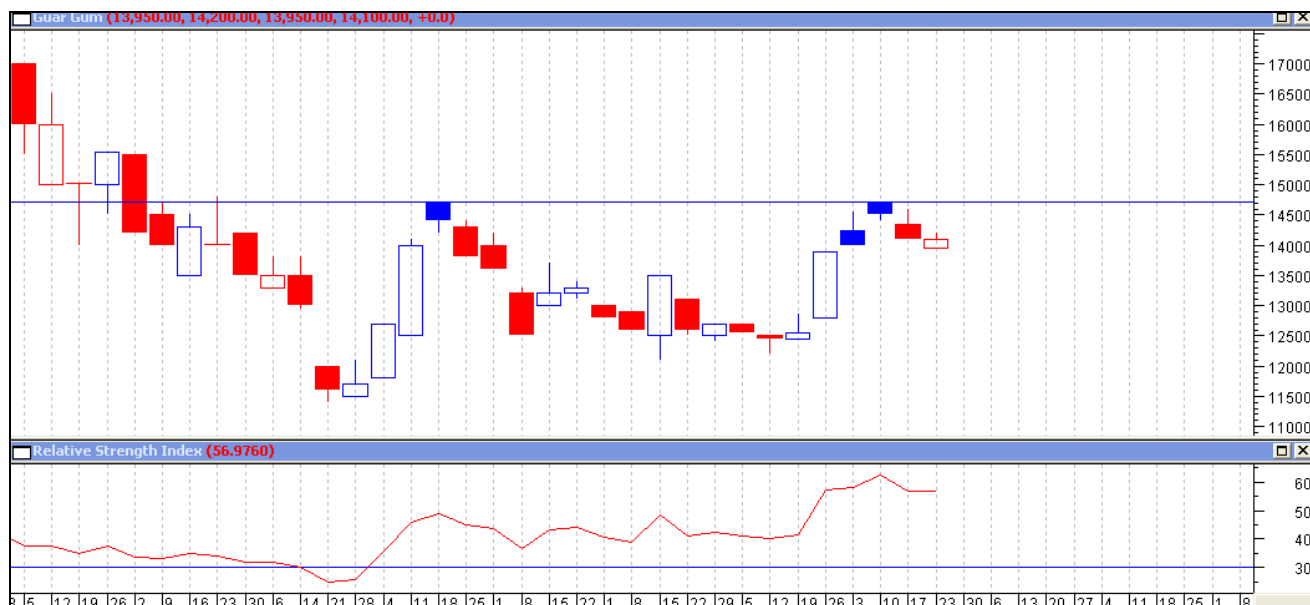


## Spot Market Technical Analysis of Guar seed & Guar gum



**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:**

Guar seed and gum prices currently moving in a range. Market participants are bullish in guar due to expectation of less rainfall due to El Nino. However, with decreasing cotton sowing, we can sense higher guar sowing this year also which should curb any major hike in guar prices.

However, still it is pretty early to comment on acreage as it is likely to start in the last week of June to first week of July.

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2014 Indian Agribusiness Systems Pvt Ltd.