

Domestic Market Recap:

- Mixed sentiments recorded in guar seed and gum prices during last week.
- Gujarat summer crop has started arriving and daily around 20000 bags of guar arriving as reported.
- 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 25th 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.

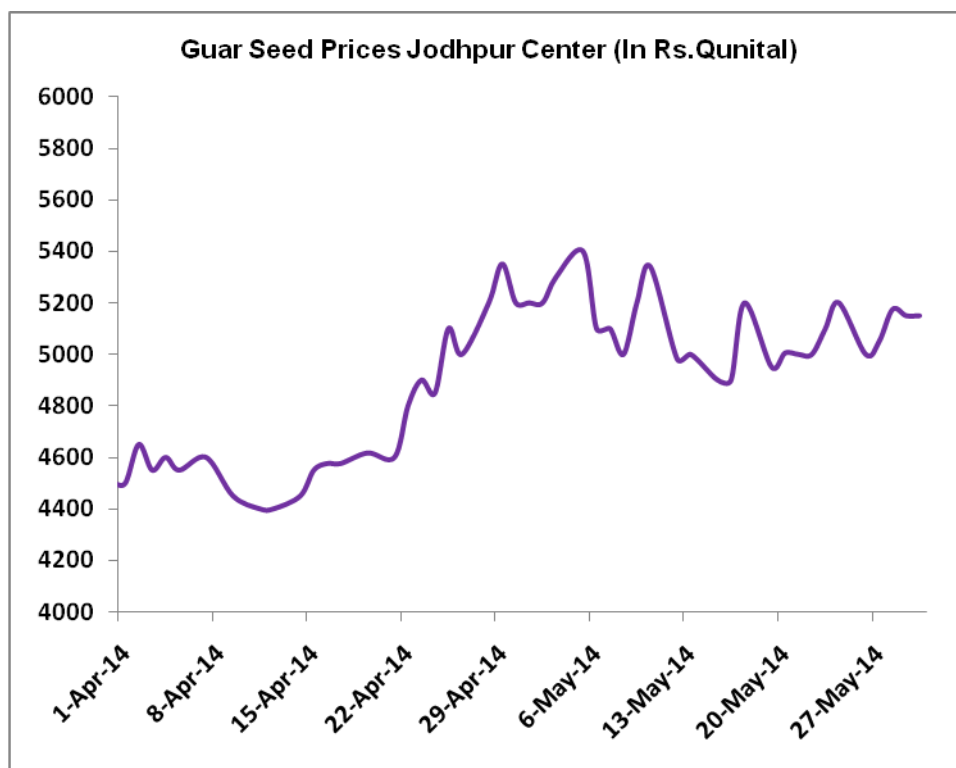
Export and Import Scenario

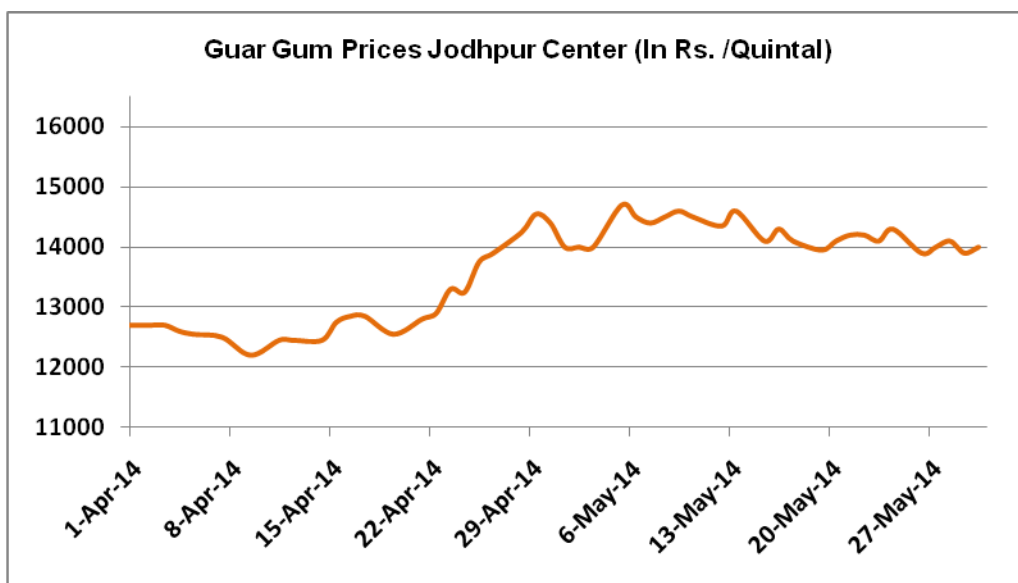
In the third week of May, India has exported around 9184 tons of guar gum powder and 1940 tons of Guar splits in the week ended 25th May 2014, according to IBIS data.

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 25th May.

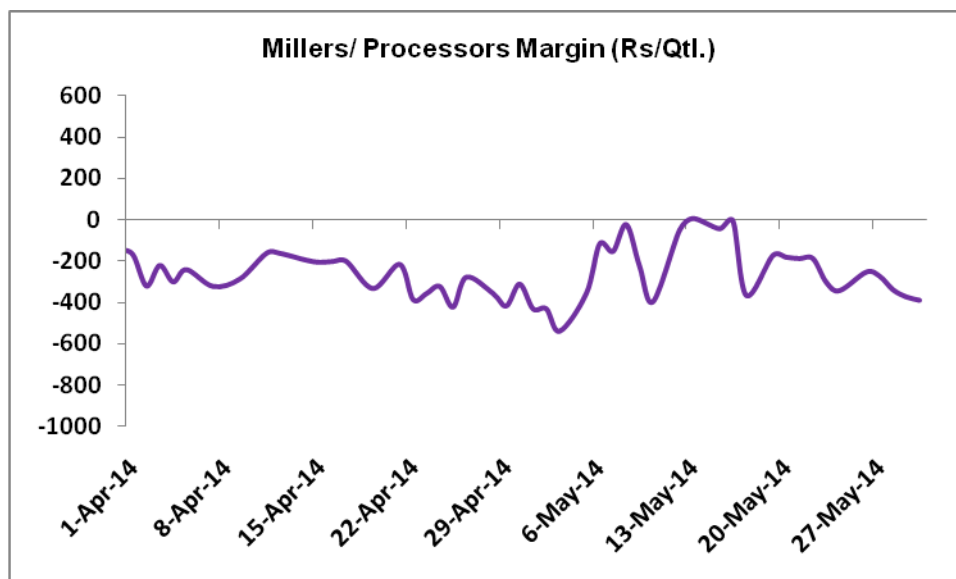
Price Scenario

In the first week of June, the average price of guar seed declined by 3% to Rs.5120/Qtl compared to prior week. However, guar gum prices declined last week by -3% 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	31th May to 6th June 14	24th to 30th May 14	Change
Churi	Jodhpur	937	1018	-81
Korma	Jodhpur	1363	1448	-85
Churi	Sri-Ganganagar	900	967	-67
Korma	Sri-Ganganagar	1320	1445	-125
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	31th May to 6th June 14	24th to 30th May 14	Change
Guargum Split		2347	2414	-67
Guargum Powder	200 Mesh 5000 CPS	2609	2703	-94
	200 Mesh 3500 CPS	2572	2643	-71
Guargum Meal	40%	300	300	Unch
	50%	400	400	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	31th May to 6th June 14	24th to 30th May 14	
Rajasthan	Jodhpur (Loose)	4788	4900	-113
	Jodhpur(Delivery)	4992	5121	-129
	Sri-Ganganagar(Loose)	4858	4967	-108
	Sri-Ganganagar (Delivery)	5025	5150	-125
	Nagaur (Loose)	4700	4867	-167
	Alwar (loose)	4600	4633	-33
	Churu (Delivery)	4867	4975	-108
	Bikaner (Loose)	4892	4979	-88
	Bikaner (Delivery)	5000	5133	-133
	Khajuwala Bikaner (Loose)	4821	4912	-91
	Khajuwala Bikane(Delivery)	5014	5108	-95
	Nokha(Loose)	4832	4908	-77
	Nokha (Delivery)	5006	5085	-79
	Hanumangarh (Loose)	NA	NA	-

	Hanumangarh (Delivery)	NA	NA	-
Haryana	Adampur (Loose)	4892	4990	-98
	Adampur (Delivery)	5058	5158	-100
	Sirsa (Loose)	4983	4000	983
	Bhiwani (Delivery)	5008	5075	-67
	Dhabwali (Loose)	4825	4959	-134
	Dhabwali (Delivery)	4983	5163	-179
	Siwani (Loose)	4938	5092	-154
	Ellanabad (Loose)	4878	5018	-141
Gujarat	Deesa (Loose)	4689	4710	-21
	Patan (Loose)	4584	4652	-68
	Rajkot (Loose)	4538	4693	-156
Madhya pradesh	Dabra (Loose)	4300	3733	567
Guar Gum				
Rajasthan	Jodhpur	13967	14033	-67
	Alwar	13867	13975	-108
Haryana	Sirsa	13083	10200	2883
	Bhiwani	14267	13825	442
	Dhabwali	13942	14133	-192
	Ellanabad	13917	14067	-150

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	6-Jun-14	30-May-14	6-May-14	6-Jun-13
Rajasthan	Jodhpur (Loose)	4800	4900	4900	9200
	Jodhpur(Delivery)	5000	5150	5100	9500
	Sri-Ganganagar(Loose)	4800	5000	5250	9000
	Sri-Ganganagar (Delivery)	4950	5150	5400	9500
	Nagaur (Loose)	4700	4800	4850	8800
	Alwar (loose)	4500	4650	NR	8700
	Churu (Delivery)	4800	NR	NR	9100
	Bikaner (Loose)	4750	4950	5150	9100
	Bikaner (Delivery)	4900	5000	5300	9400
	Khajuwala Bikaner (Loose)	4800	4850	5170	9100
	Khajuwala Bikane(Delivery)	4992	5044	5377	9400
	Nokha(Loose)	4750	4950	5100	9000
	Nokha (Delivery)	4921	5128	5284	9325
	Hanumangarh (Loose)	NA	NA	NA	NA

	Hanumangarh (Delivery)	NA	NA	NA	NA
Haryana	Adampur (Loose)	4800	5000	5300	9300
	Adampur (Delivery)	5000	5200	5500	9550
	Sirsa (Loose)	5000	5100	5300	9000
	Bhiwani (Delivery)	5000	5100	5200	9200
	Dhabwali (Loose)	4800	4950	NA	9400
	Dhabwali (Delivery)	5000	5150	NA	9600
	Siwani (Loose)	4875	5100	5250	NR
	Ellanabad (Loose)	4800	5000	5200	NR
Gujarat	Deesa (Loose)	4750	4655	4705	8750
	Patan (Loose)	4575	4590	NA	8910
	Rajkot (Loose)	4550	NR	4775	9000
Madhya pradesh	Dabra (Loose)	4000	3800	4400	8500
Guar Gum					
Rajasthan	Jodhpur	14000	14000	14500	27800
	Alwar	13800	NR	NR	28000
Haryana	Sirsa	13300	13000	13500	27000
	Bhiwani	14000	13750	13950	28250
	Dhabwali	13800	14000	NA	28200
	Ellanabad	13600	14000	14400	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		31th May to 6th June 14	24th to 30th May 14	
Rajasthan	Jodhpur	1350	1550	-200
	Sri-Ganganagar	5500	6500	-1000
	Nagaur	1100	800	300
	Alwar	2500	5200	-2700
	Churu	1800	1900	-100
	Bikaner	6000	3200	2800
	Khajuwala Bikaner	3000	2700	300
	Nokha	2200	4500	-2300
	Hanumangarh	NA	NA	-
Haryana	Adampur	24000	21500	2500
	Sirsa	9100	12000	-2900
	Bhiwani	5500	3500	2000
	Dhabwali	1570	1475	95
	Siwani	10000	10500	-500
	Ellanabad	4900	3700	1200

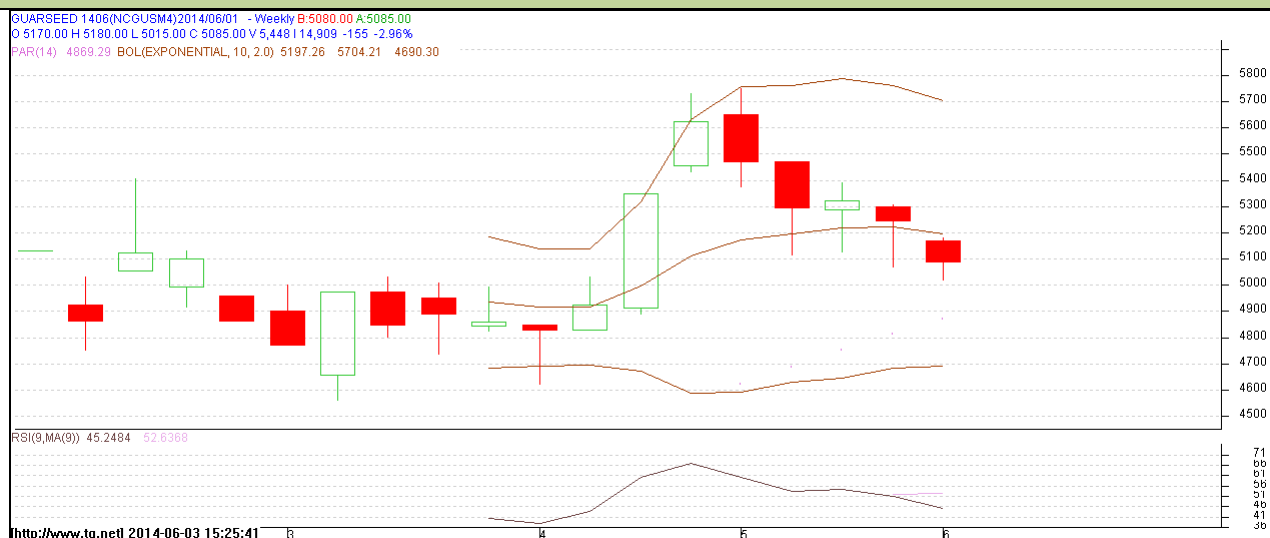


Gujarat	Deesa	538	583	-45
	Patan (Loose)	767	973	-206
	Rajkot	9460	3620	5840
Madhya pradesh	Dabra	2850	4600	-1750
Total Arrival		92135	88801	3334

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	Sell	Below 14100	13600	14350	13800

Spot Market Technical Analysis of Guar seed & Guar gum

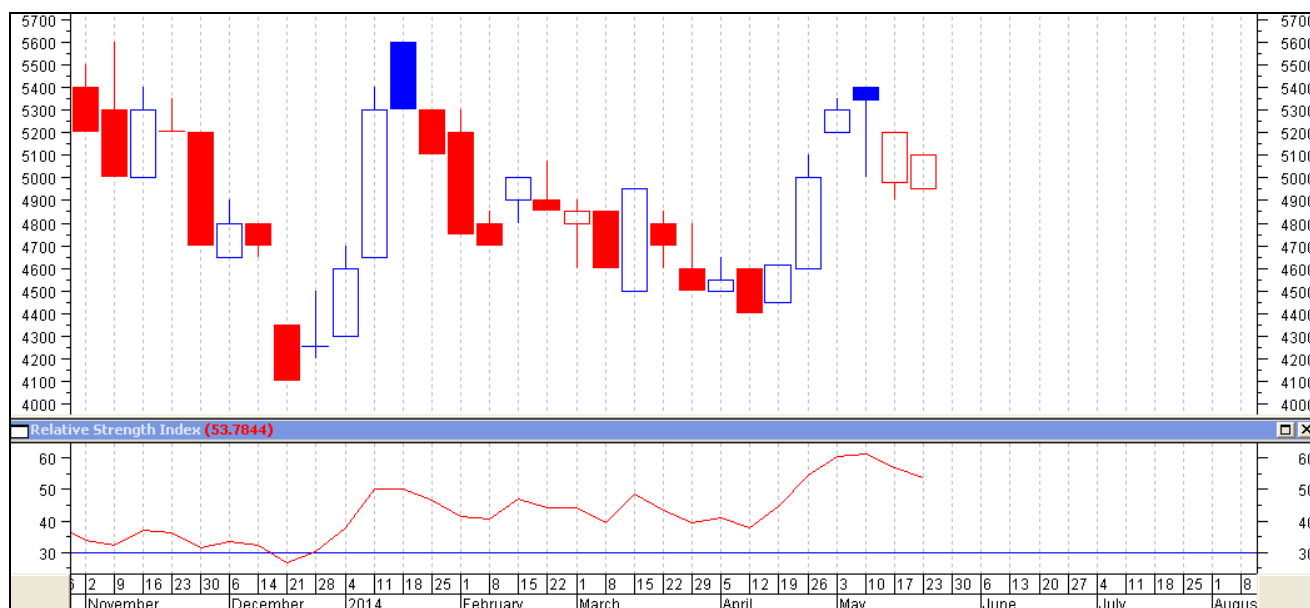


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

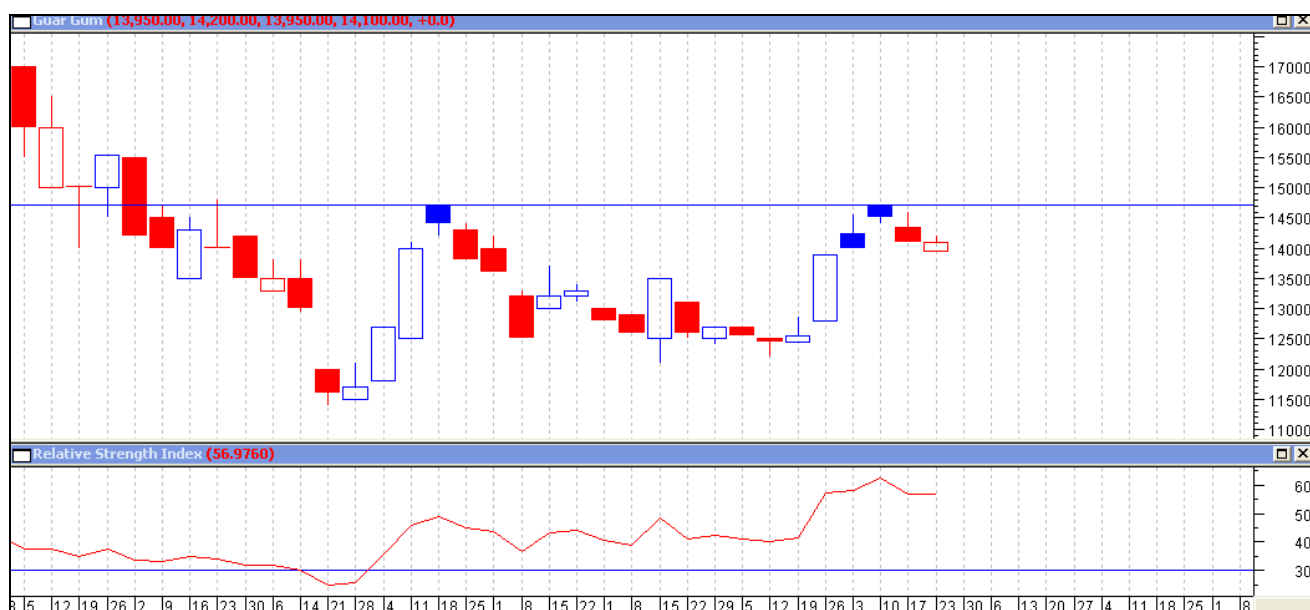


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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.

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