

Domestic Market Recap:

- Mixed sentiments recorded in guar seed and gum prices during last week.
- Despite of lower monsoon news, prices of guar seed continuously moving downwards as punters are trying to brought the market down to regain the stock.
- Meanwhile, guar products exports are not picking up due to good competition from Pakistan and strong Rupee which drag the guar exports downwards on M-o-M basis.
- Govt. official announce lower monsoon prediction for this current year which might led the prices up in the coming days.
- 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.

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.

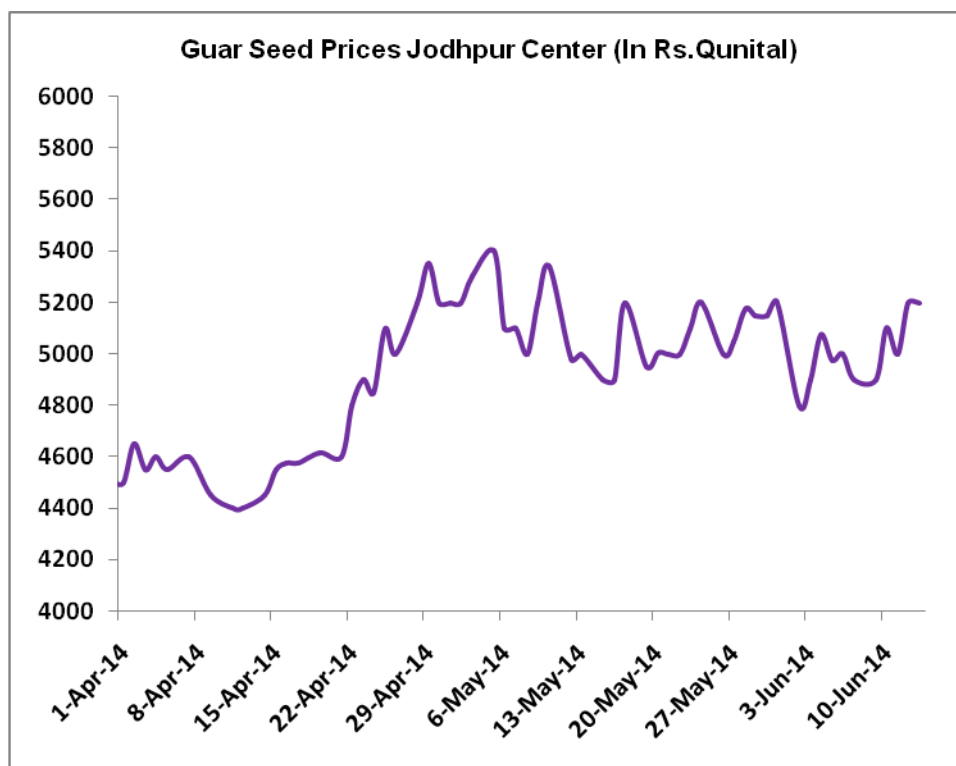
Export and Import Scenario

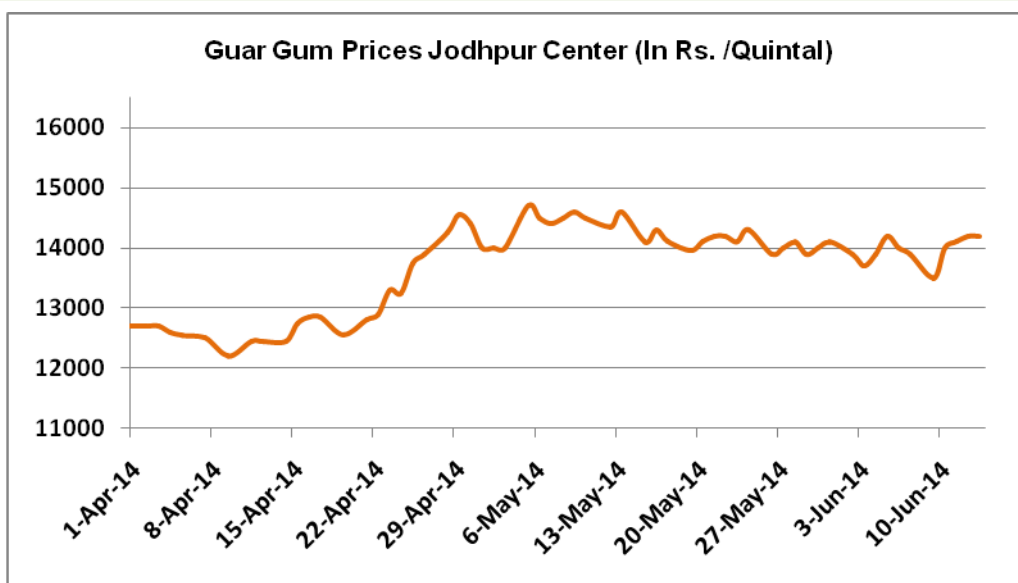
In the third week of May, India has exported around 9184 tons of guar gum powder and 1940 tons of Guar splits in the week ended 25th May 2014, according to IBIS data.

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.

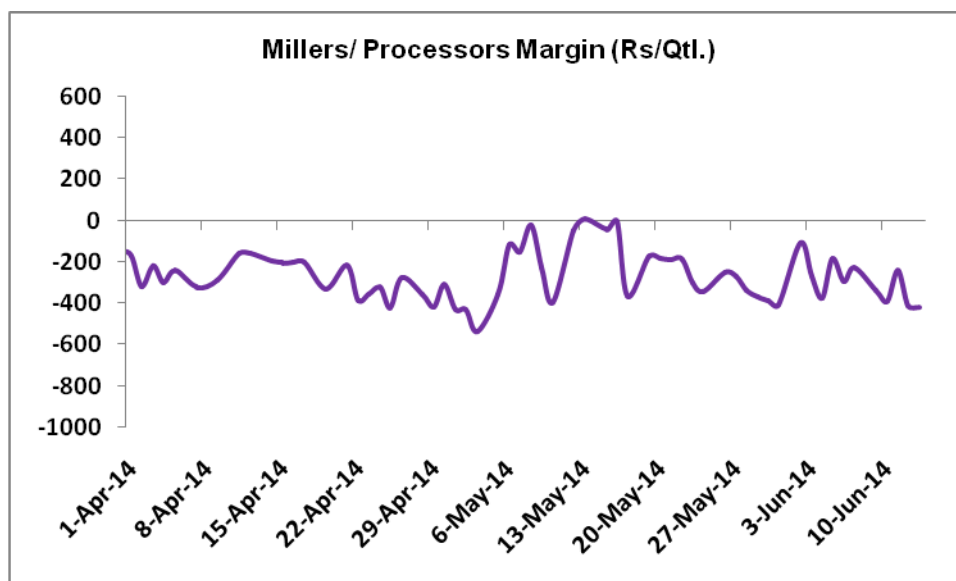
Price Scenario

In the Second week of June, the average price of guar seed improved by 1% to Rs.5050/Qtl compared to prior week. Also, guar gum prices improved marginally last week by 0.12% to Rs.13983/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 second week of June 2014, average crush margin stood at Rs. -327/Quintal which was -272 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	7th to 13th June 14	24th to 30th May 14	Change
Churi	Jodhpur	913	937	-24
Korma	Jodhpur	1354	1363	-9
Churi	Sri-Ganganagar	875	900	-25
Korma	Sri-Ganganagar	1320	1320	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	7th to 13th June 14	24th to 30th May 14	Change
Guargum Split		2335	2347	-12
Guargum Powder	200 Mesh 5000 CPS	2613	2609	4
	200 Mesh 3500 CPS	2580	2572	8
Guargum Meal	40%	290	300	-10
	50%	390	400	-10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	7th to 13th June 14	24th to 30th May 14	
Rajasthan	Jodhpur (Loose)	4817	4788	29
	Jodhpur(Delivery)	5050	4992	58
	Sri-Ganganagar(Loose)	4879	4858	21
	Sri-Ganganagar (Delivery)	5058	5025	33
	Nagaur (Loose)	4725	4700	25
	Alwar (loose)	4619	4600	19
	Churu (Delivery)	4880	4867	13
	Bikaner (Loose)	4895	4892	3
	Bikaner (Delivery)	5058	5000	58
	Khajuwala Bikaner (Loose)	4809	4821	-12
	Khajuwala Bikaner(Delivery)	5002	5014	-12
	Nokha(Loose)	4829	4832	-3
	Nokha (Delivery)	5003	5006	-2
	Hanumangarh (Loose)	4930	NA	-
	Hanumangarh (Delivery)	5135	NA	-
Haryana	Adampur (Loose)	4850	4892	-42
	Adampur (Delivery)	4992	5058	-67
	Sirsa (Loose)	4950	4983	-33
	Bhiwani (Delivery)	4982	5008	-27
	Dhabwali (Loose)	4750	4825	-75
	Dhabwali (Delivery)	4950	4983	-33
	Siwani (Loose)	4933	4938	-4
	Ellanabad (Loose)	4927	4878	49
Gujarat	Deesa (Loose)	4585	4689	-104
	Patan (Loose)	4542	4584	-42

	Rajkot (Loose)	4622	4538	85
Madhya pradesh	Dabra (Loose)	4100	4300	-200
	Guar Gum			
Rajasthan	Jodhpur	13983	13967	17
	Alwar	13900	13867	33
Haryana	Sirsa	13050	13083	-33
	Bhiwani	14200	14267	-67
	Dhabwali	13908	13942	-33
	Ellanabad	13983	13917	67

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	13-Jun-14	6-Jun-14	13-May-14	13-Jun-13
Rajasthan	Jodhpur (Loose)	4900	4800	4800	6500
	Jodhpur(Delivery)	5200	5000	5000	6700
	Sri-Ganganagar(Loose)	5000	4800	5080	6300
	Sri-Ganganagar (Delivery)	5200	4950	5250	6500
	Nagaur (Loose)	4750	4700	4900	6300
	Alwar (loose)	4750	4500	4800	5700
	Churu (Delivery)	5000	4800	NR	6200
	Bikaner (Loose)	5000	4750	5100	6450
	Bikaner (Delivery)	5150	4900	5250	6800
	Khajuwala Bikaner (Loose)	5000	4800	NA	6600
	Khajuwala Bikaner(Delivery)	5200	4992	NA	6800
	Nokha(Loose)	4950	4750	4950	6400
	Nokha (Delivery)	5128	4921	5128	6630
	Hanumangarh (Loose)	5200	NA	NA	6600
	Hanumangarh (Delivery)	5400	NA	NA	6650
Haryana	Adampur (Loose)	5050	4800	5200	6500
	Adampur (Delivery)	5200	5000	5400	6700
	Sirsa (Loose)	5000	5000	NR	6300
	Bhiwani (Delivery)	5100	5000	5250	6800
	Dhabwali (Loose)	4900	4800	NA	6230
	Dhabwali (Delivery)	5100	5000	NA	6400
	Siwani (Loose)	5000	4875	NR	NR
	Ellanabad (Loose)	5200	4800	5100	NR
Gujarat	Deesa (Loose)	4750	4750	4575	6500
	Patan (Loose)	4715	4575	4500	6160
	Rajkot (Loose)	4675	4550	4650	6500
Madhya pradesh	Dabra (Loose)	4000	4000	4000	6500
	Guar Gum				
Rajasthan	Jodhpur	14200	14000	14600	19400
	Alwar	14200	13800	NR	18500
Haryana	Sirsa	13200	13300	NR	20000

	Bhiwani	14700	14000	14200	19500
	Dhabwali	14300	13800	NA	19500
	Ellanabad	14400	13600	14300	NR

Guar Cumulative Arrivals in Key Centers

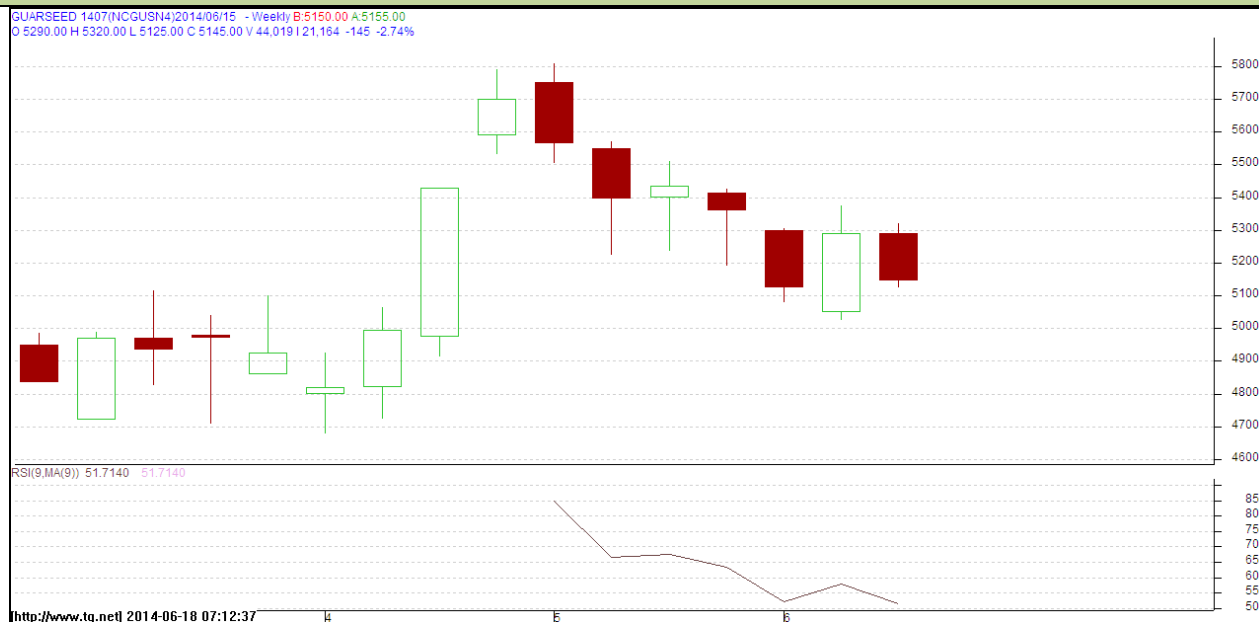
Centre	Weekly Arrivals (Quintals)			Change
		7th to 13th June 14	24th to 30th May 14	
Rajasthan	Jodhpur	1100	1350	-250
	Sri-Ganganagar	6000	5500	500
	Nagaur	850	1100	-250
	Alwar	4800	2500	2300
	Churu	4200	1800	2400
	Bikaner	6200	6000	200
	Khajuwala Bikaner	2600	3000	-400
	Nokha	2400	2200	200
	Hanumangarh	4100	NA	-
Haryana	Adampur	20500	24000	-3500
	Sirsa	7200	9100	-1900
	Bhiwani	6500	5500	1000
	Dhabwali	1250	1570	-320
	Siwani	8000	10000	-2000
	Ellanabad	3900	4900	-1000
Gujarat	Deesa	677	538	139
	Patan (Loose)	1110	767	343
	Rajkot	9750	9460	290
Madhya pradesh	Dabra	1650	2850	-1200
Total Arrival		92787	92135	652



Commodity: Guar Seed
Contract: July

Exchange: NCDEX
Expiry: July 20, 2014

Guar Seed (Weekly July 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 bullishness in the market.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	July	4840	4910	5290	5510	5645
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Buy	Above 5200	5400	5500	5100

Commodity: Guar Gum
Contract: July

Exchange: NCDEX
Expiry: July 20, 2014

Guar Gum (July 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 13600 would take the prices down to Rs 13125. On upside, breach of Rs 15170 would take the prices up to Rs 16500.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	July	12450	13125	14120	15170	15600
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 13900	14600	14900	13500

Spot Market Technical Analysis of Guar seed & Guar gum

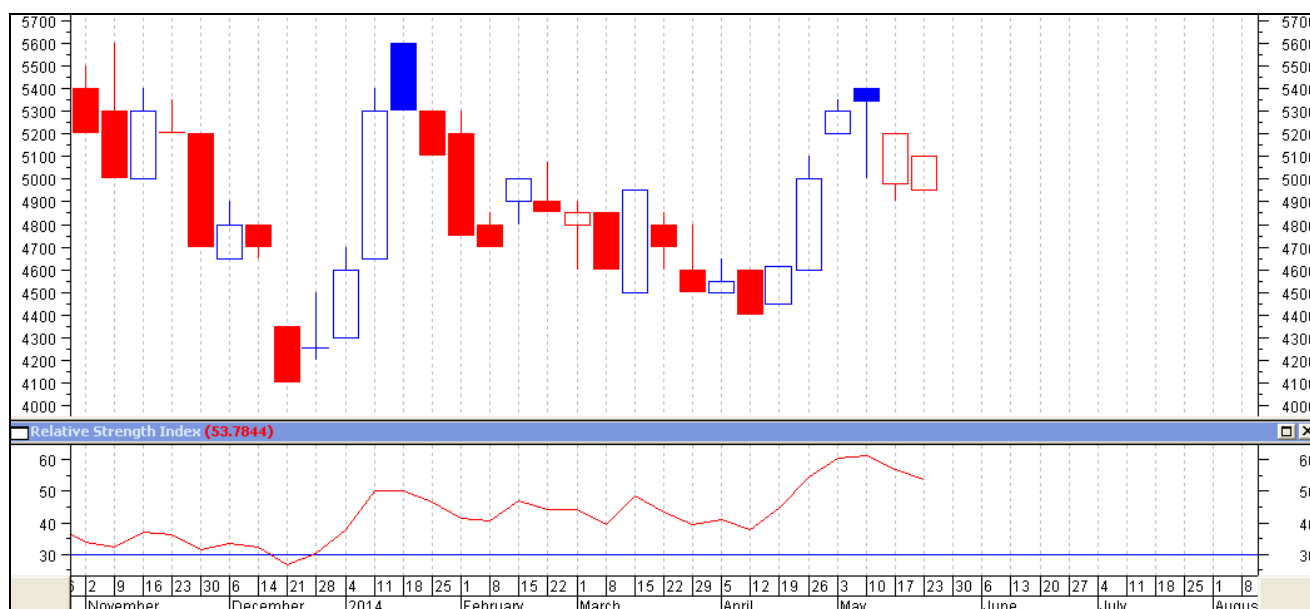


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

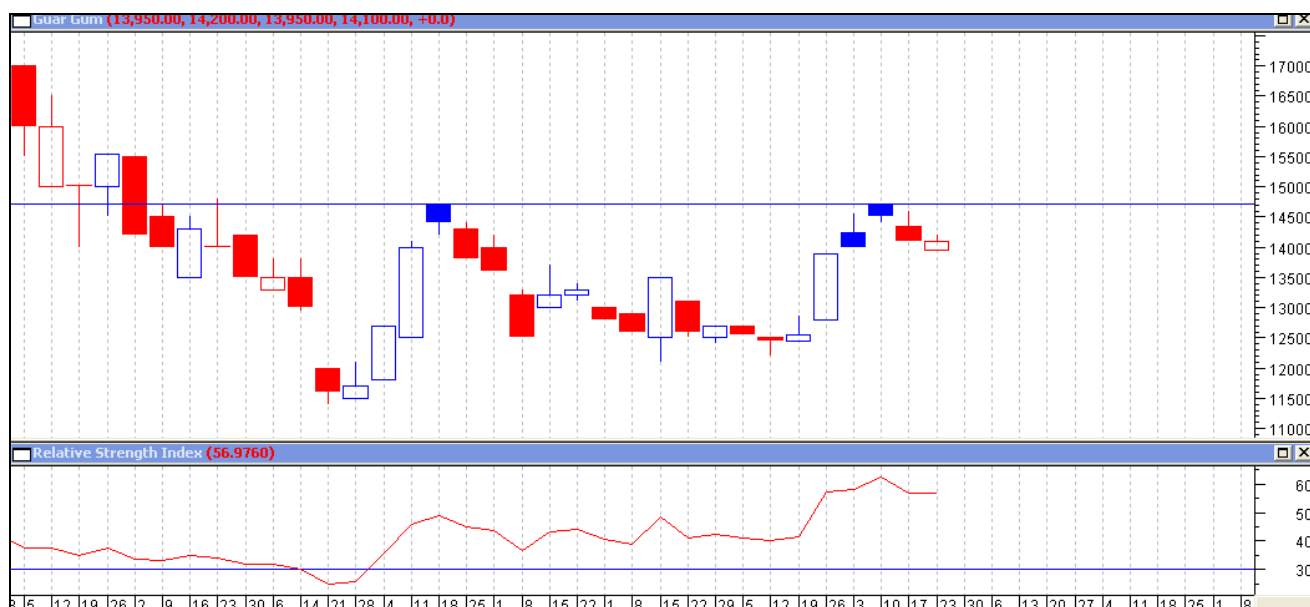


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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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