

Domestic Market Recap:

- Guar prices surged sharply during last week owing to good spot demand and weak arrivals. In addition to it, weak monsoon rainfall delay the guar planting also become the major influencing factor which drive the prices upwards.
- Rajasthan farmers likely to grow 20% less guar this year in their respective fields as expected. Farmers are more interested in growing cotton, moong, moth etc this time against guar as reported.
- Guar sowing in irrigated belt of Haryana is going on and as per our preliminary survey; guar acreage in Haryana is likely to decline by 8-10% compared to last year.
- Guar planting likely to affect in Gujarat region by a week due to late arrival of monsoon.
- Cotton sowing in Rajasthan increased by 3-5 percent this year compared to last year which ultimately put negative impact on guar sowing as expected.
- Speculators take the prices of guar upwards over weak monsoon predictions and increase in freight rates. In addition to it, weak arrivals today compared to prior day also become the main reason for increase in prices.
- Cotton (Substitute crop of Guar seed in Rajasthan) sowing likely to increase by 3-5% compared to last year which ultimately give negative impact on guar seed sowing.

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 lower than prices of guar seed generally moved up 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 higher by 100 bags compared to last week.

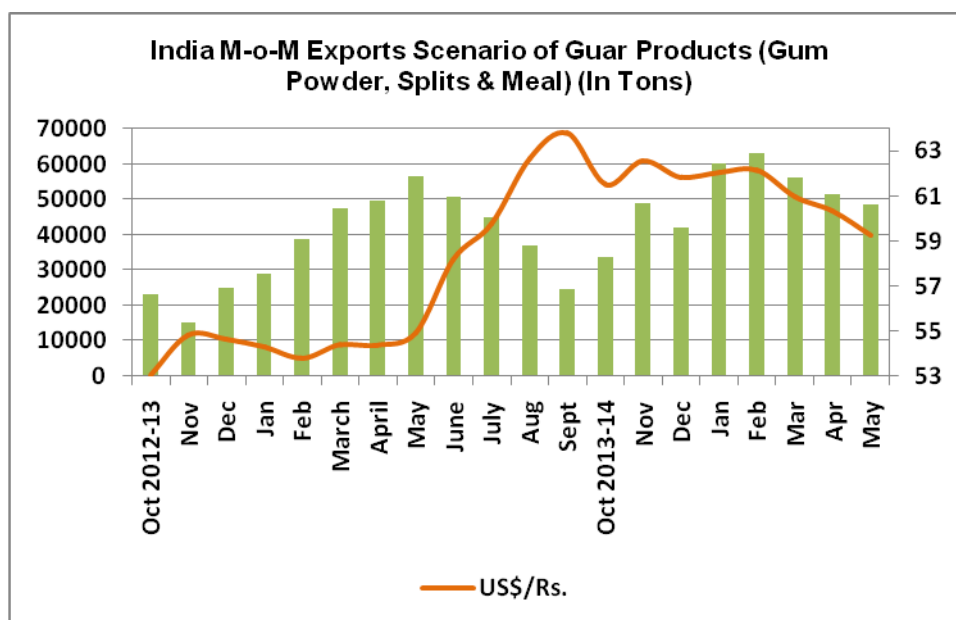
Export and Import Scenario

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.

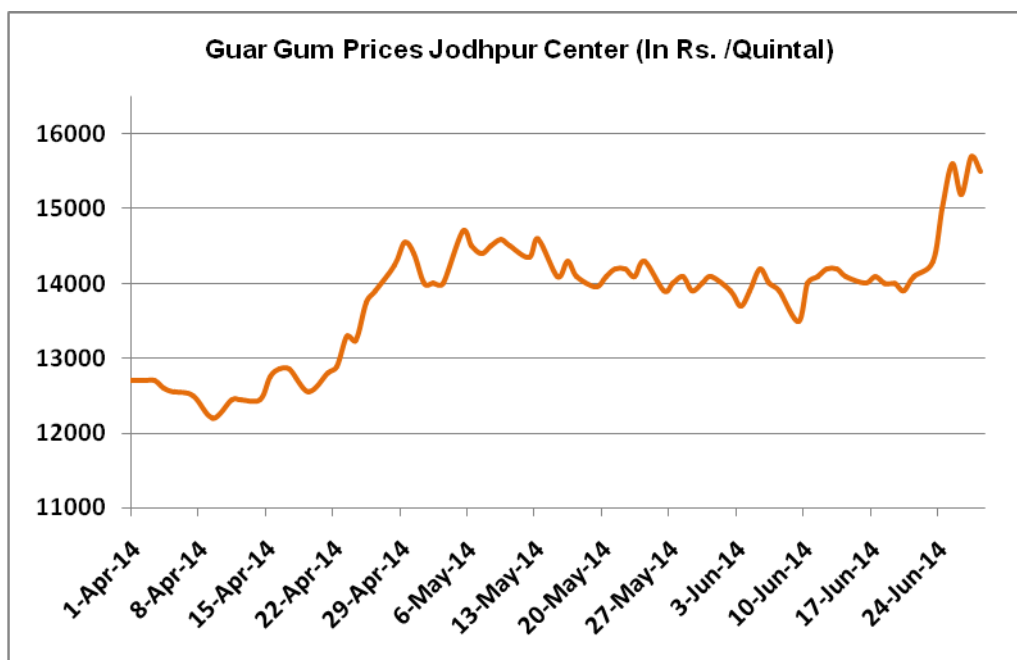
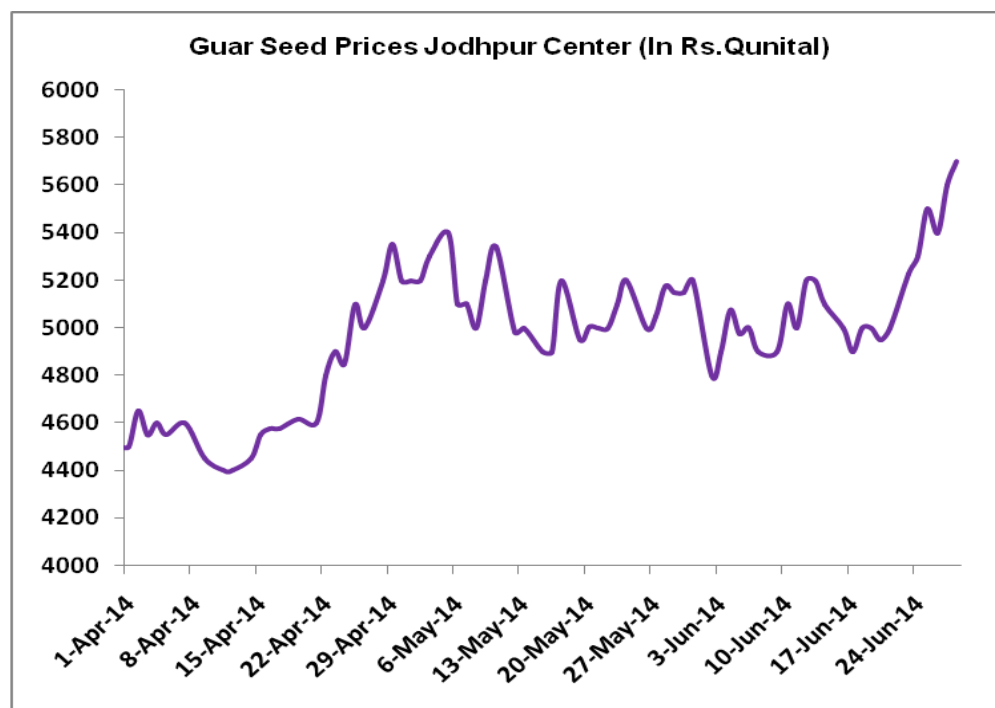
Demand Side of Guar and Guar Gum:

On export front, demand of guar products are decreasing in line with appreciation in Rupee. Also, demand of guar products among major importers are also weak. Below is the Rupee Monthly movement and its impact on monthly guar products export figures.

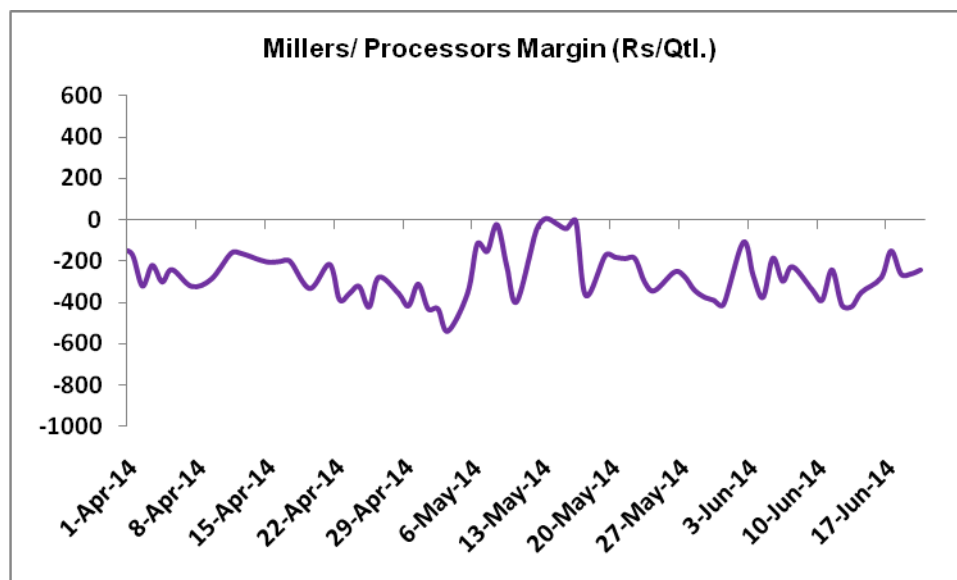


Price Scenario

In the fourth week of June, the average price of guar seed improved by 7% to Rs.5337/Qtl compared to prior week. Also, guar gum prices improved sharply last week by 6.9% to Rs.14983/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 June 2014, average crush margin stood at Rs. -256/Quintal which was -327 per quintal last week. Higher degree of Increase in guar gum average prices compared to guar seed prices led the margin up this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	21th to 27th June 14	14th to 20th June 14	Change
Churi	Jodhpur	1006	927	79
Korma	Jodhpur	1454	1370	84
Churi	Sri-Ganganagar	NR	900	-
Korma	Sri-Ganganagar	NR	1308	-
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	21th to 27th June 14	14th to 20th June 14	Change
Guargum Split		2482	2345	137
Guargum Powder	200 Mesh 5000 CPS	2875	2608	267
	200 Mesh 3500 CPS	2786	2575	211
Guargum Meal	40%	270	280	-10
	50%	370	364	6
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	21th to 27th June 14	14th to 20th June 14	
Rajasthan	Jodhpur (Loose)	5138	4775	363
	Jodhpur(Delivery)	5338	4992	346
	Sri-Ganganagar(Loose)	5108	4908	200
	Sri-Ganganagar (Delivery)	5300	5108	192
	Nagaur (Loose)	5038	4725	313
	Alwar (loose)	4883	4600	283
	Churu (Delivery)	4800	4933	-133
	Bikaner (Loose)	5183	4929	254
	Bikaner (Delivery)	5358	5083	275

	Khajuwala Bikaner (Loose)	5220	4867	353
	Khajuwala Bikane(Delivery)	5429	5061	367
	Nokha(Loose)	5133	4854	279
	Nokha (Delivery)	5318	5029	289
	Hanumangarh (Loose)	5158	4800	358
	Hanumangarh (Delivery)	5367	5000	367
Haryana	Adampur (Loose)	5117	4892	225
	Adampur (Delivery)	5317	5085	232
	Sirsa (Loose)	NA	4867	-
	Bhiwani (Delivery)	5250	4928	322
	Dhabwali (Loose)	5159	4870	289
	Dhabwali (Delivery)	5359	5103	256
	Siwani (Loose)	5250	4963	288
	Ellanabad (Loose)	5230	4917	313
Gujarat	Deesa (Loose)	5083	4617	466
	Patan (Loose)	4833	4599	234
	Rajkot (Loose)	4950	4600	350
Madhya pradesh	Dabra (Loose)	4133	4080	53
Guar Gum				
Rajasthan	Jodhpur	14842	14017	825
	Alwar	14000	14000	Unch
Haryana	Sirsa	NA	13200	-
	Bhiwani	14920	13942	978
	Dhabwali	14983	14083	900
	Ellanabad	14933	14033	900

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	27-Jun-14	20-Jun-14	26-May-14	26-Jun-13
Rajasthan	Jodhpur (Loose)	5400	4750	4800	7100
	Jodhpur(Delivery)	5600	4950	5000	7350
	Sri-Ganganagar(Loose)	5350	4850	4950	7300
	Sri-Ganganagar (Delivery)	5550	5050	5150	7700
	Nagaur (Loose)	5300	4700	4900	7000
	Alwar (loose)	5200	4600	4600	7100
	Churu (Delivery)	NA	NA	5000	7200
	Bikaner (Loose)	5500	4850	4950	7000
	Bikaner (Delivery)	5650	5000	5100	7400

	Khajuwala Bikaner (Loose)	5400	4840	4970	6900
	Khajuwala Bikaner(Delivery)	5616	5034	5169	7200
	Nokha(Loose)	5400	4800	4900	6950
	Nokha (Delivery)	5594	4973	5076	7200
	Hanumangarh (Loose)	5450	4750	NA	7200
	Hanumangarh (Delivery)	5650	4950	NA	7300
Haryana	Adampur (Loose)	5350	4860	5000	7300
	Adampur (Delivery)	5550	5060	5200	7600
	Sirsa (Loose)	NA	NA	4900	7300
	Bhiwani (Delivery)	5600	4950	5050	7000
	Dhabwali (Loose)	5430	4870	5000	7300
	Dhabwali (Delivery)	5630	5070	5200	7500
	Siwani (Loose)	5400	4950	5100	NA
	Ellanabad (Loose)	5500	4900	5000	NA
Gujarat	Deesa (Loose)	5205	4610	4750	NA
	Patan (Loose)	4960	4590	NA	6900
	Rajkot (Loose)	5075	4650	4700	7100
Madhya pradesh	Dabra (Loose)	4200	NA	3700	6500
Guar Gum					
Rajasthan	Jodhpur	15700	13900	13900	20800
	Alwar	NA	NA	14000	27000
Haryana	Sirsa	NA	NA	12500	21000
	Bhiwani	16000	14000	13850	20500
	Dhabwali	15800	14000	14150	21500
	Ellanabad	15800	14000	14100	NA

Guar Cumulative Arrivals in Key Centers

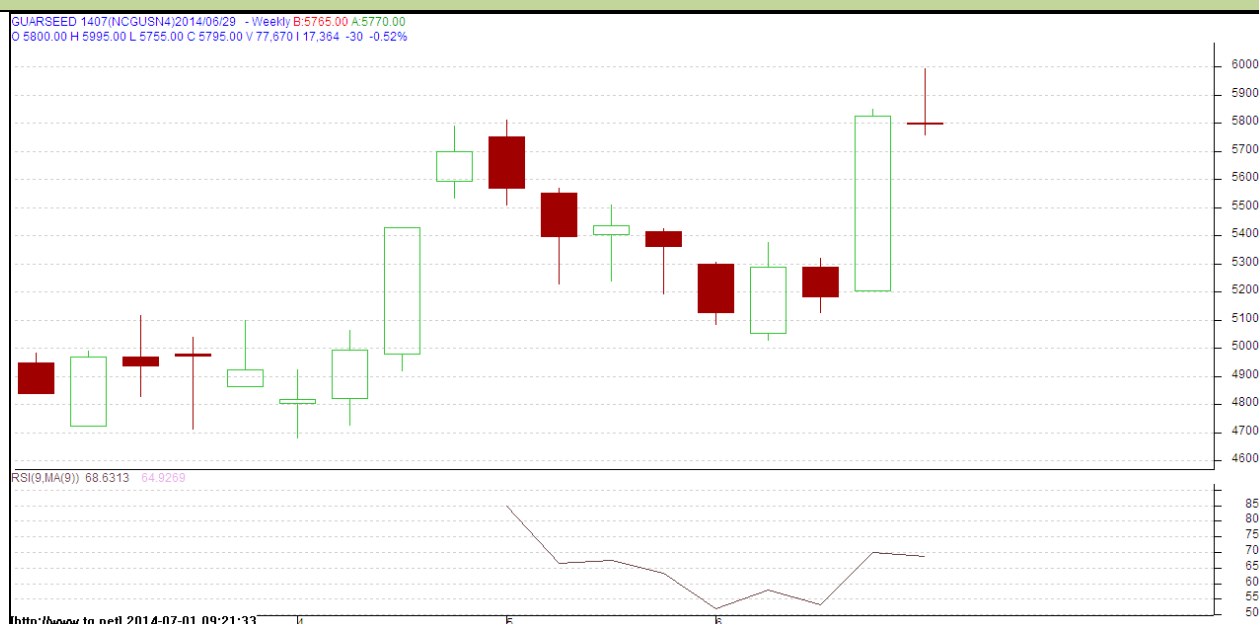
Centre	Weekly Arrivals (Quintals)			Change
		21th to 27th June 14	14th to 20th June 14	
Rajasthan	Jodhpur	1200	1100	100
	Sri-Ganganagar	12000	11000	1000
	Nagaur	1600	2350	-750
	Alwar	8800	3900	4900
	Churu	500	1400	-900
	Bikaner	4800	5000	-200
	Khajuwala Bikaner	3100	2300	800
	Nokha	3700	3000	700
	Hanumangarh	1400	3600	-2200
Haryana	Adampur	24000	20500	3500

	Sirsa	NA	6500	-
	Bhiwani	8100	9200	-1100
	Dhabwali	1800	1350	450
	Siwani	13500	12000	1500
	Ellanabad	4000	4300	-300
Gujarat	Deesa	2346	1502	844
	Patan (Loose)	1203	1035	168
	Rajkot	6200	9000	-2800
Madhya pradesh	Dabra	1000	1200	-200
Total Arrival		99249	100237	-988

Commodity: Guar Seed
Contract: July

Exchange: NCDEX
Expiry: July 20, 2014

Guar Seed (Weekly July Contract Chart)



Technical Commentary:

- Guar prices are showing strong upside on the charts.
- 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	5325	5420	5825	6110	6295
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Buy	Above 5650	5950	6100	5450

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.
- Price have now the potential to test 16800 in the coming period.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	July	14830	15170	16010	16350	16850
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 15600	16200	16500	13500

Spot Market Technical Analysis of Guar seed & Guar gum

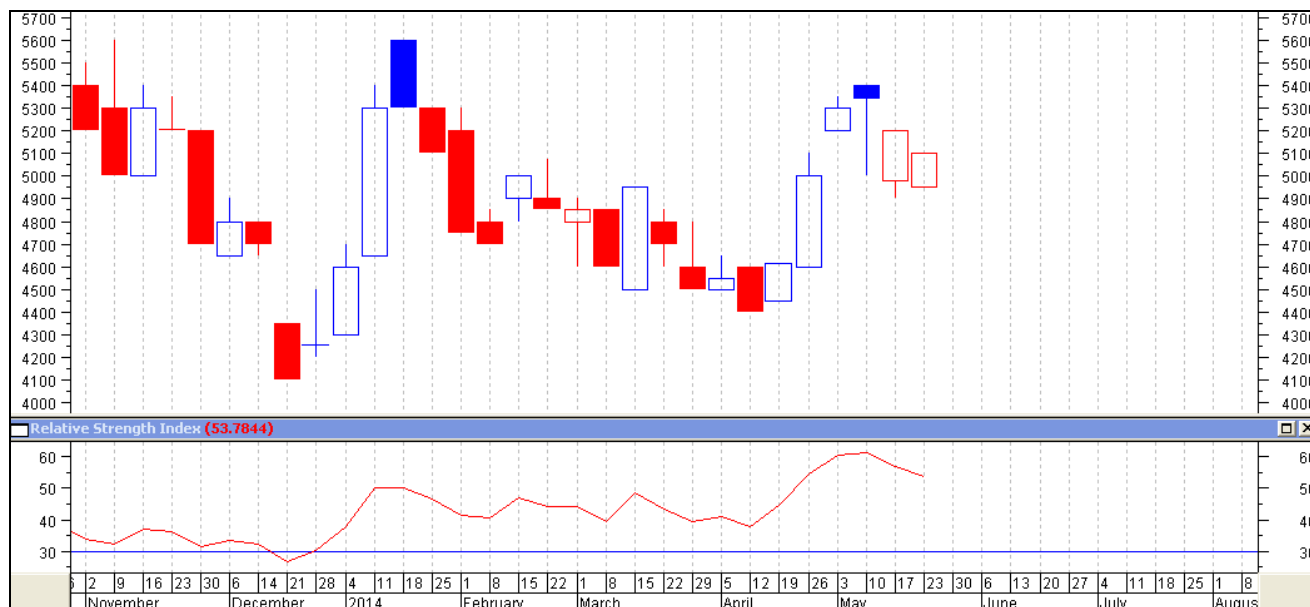


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

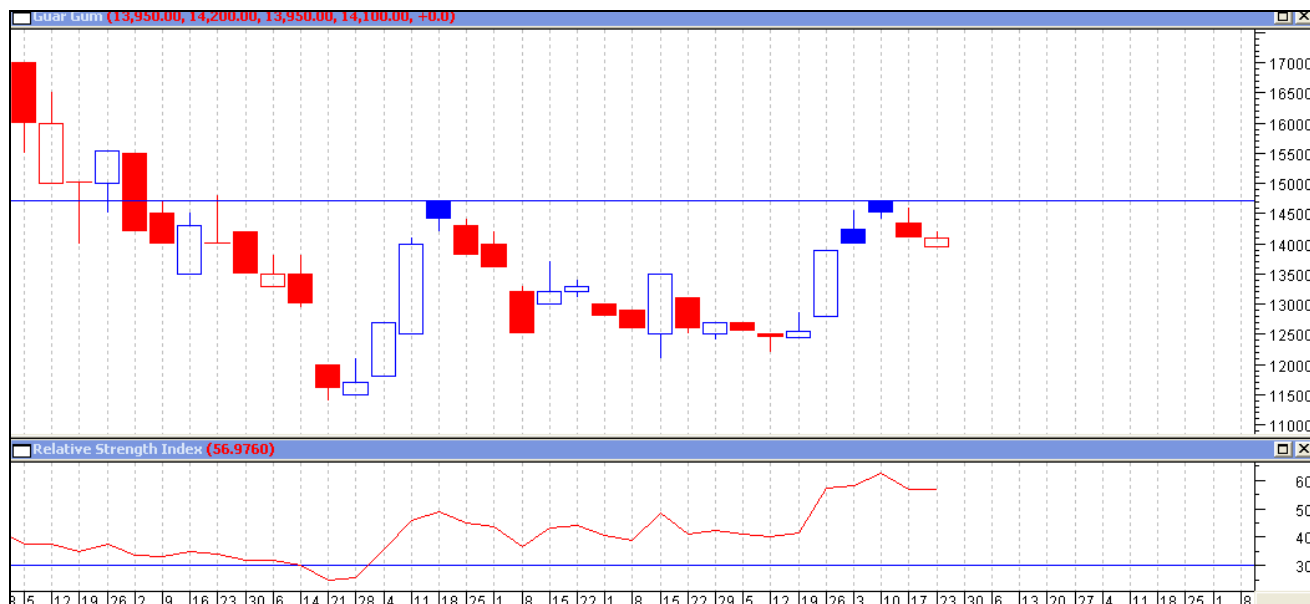


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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. Recent price surge also give the same indication.

Spot Market Outlook:

Guar seed and gum prices likely to move up in the coming weeks considering weak monsoon and lower sowing figures compared to last year.

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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