

Domestic Market Recap:

- Guar seed and gum prices surged sharply last week over weak monsoon data which ultimately affects the guar sowing mainly in rainfed areas of Rajasthan and Gujarat. However, it is notable that arrivals of guar seed has increased compared to last week.
- Reportedly, rainfall has been arrived in some parts of Bikaner and other guar seed growing regions.
- Demand of guar gum products has been reported from overseas which is likely to move the prices upwards in the near term.
- 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.
- 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.

Current Market Dynamics

Guar seed prices seems to move up in the near future considering lower sowing estimations in specially in Rajasthan and Gujarat as farmers are diverting their crop pattern from guar to other crops like Cotton, pulses etc. In addition to it, delay in monsoon also affect the guar sowing as reported.

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.

In the major Jodhpur market, arrivals were reported around 1650 bags of guar seed last week 2014 which was higher by 1200 bags compared to prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North also reported higher arrivals compared to prior week. Farmers are now slowly offloading their guar stocks considering heavy fluctuations in the market.

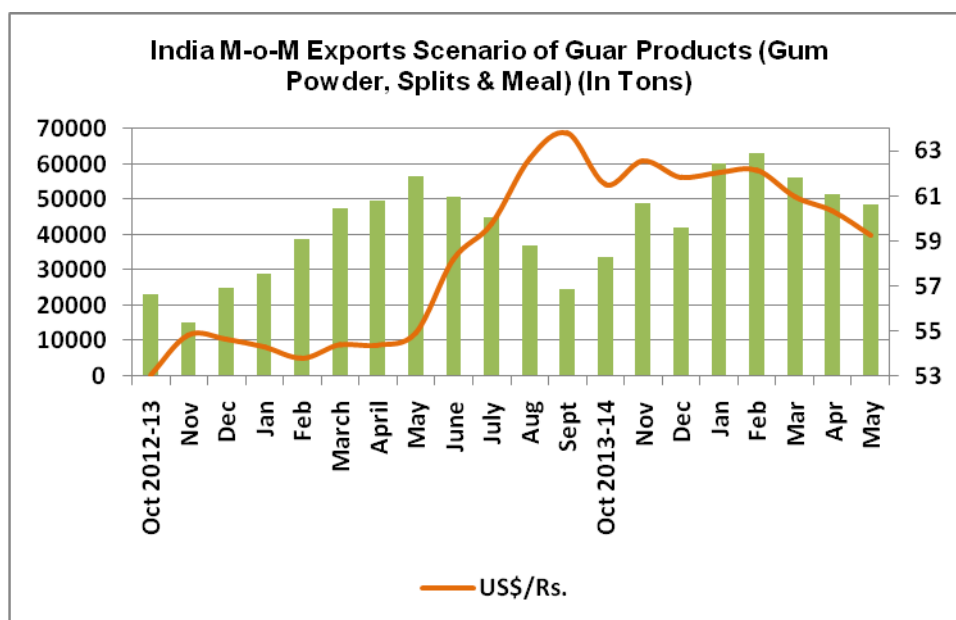
Export and Import Scenario

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.

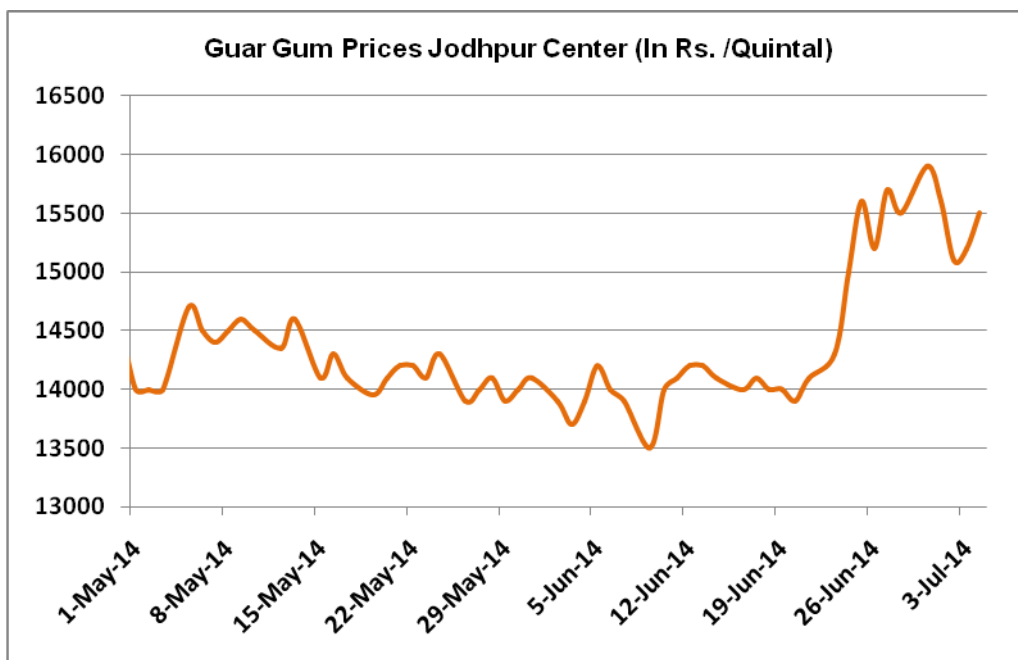
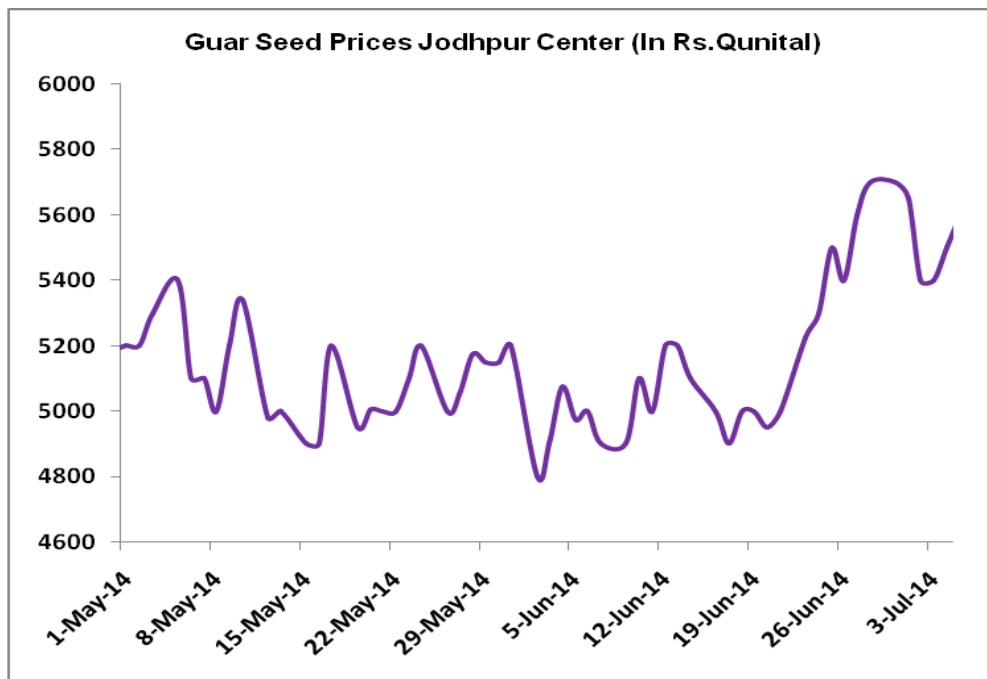
Demand Side of Guar and Guar Gum:

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.

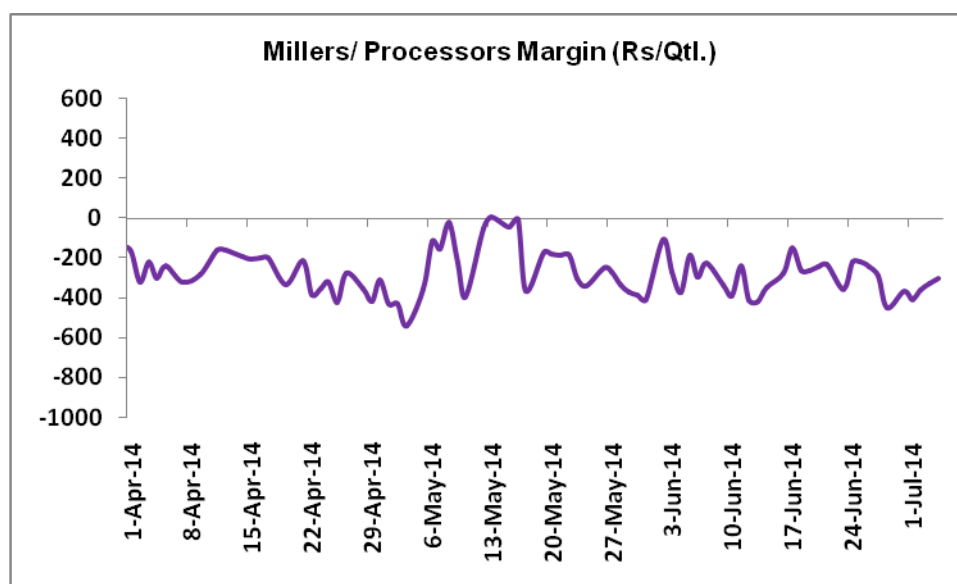


Price Scenario

In the first week of July, the average price of guar seed improved by 4% to Rs.5558/Qtl compared to prior week. Also, guar gum prices improved last week by 3% to Rs.15666/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 first week of July 2014, average crush margin stood at Rs. -369/Quintal which was -260 per quintal last week. Higher degree of Increase in guar seed average prices compared to guar gum prices and decrease in Churi and Korma prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	28th to 4th July 14	21th to 27th June 14	Change
Churi	Jodhpur	964	1006	-42
Korma	Jodhpur	1395	1454	-59
Churi	Sri-Ganganagar	900	NR	-
Korma	Sri-Ganganagar	1316	NR	-
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	28th to 4th July 14	21th to 27th June 14	Change
Guargum Split		2580	2482	98
Guargum Powder	200 Mesh 5000 CPS	2911	2875	36
	200 Mesh 3500 CPS	2827	2786	41
Guargum Meal	40%	290	270	20
	50%	387	370	17
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	28th to 4th July 14	21th to 27th June 14	
Rajasthan	Jodhpur (Loose)	5342	5138	204
	Jodhpur(Delivery)	5558	5338	220
	Sri-Ganganagar(Loose)	5290	5108	182
	Sri-Ganganagar (Delivery)	5467	5300	167
	Nagaur (Loose)	5125	5038	87
	Alwar (loose)	4950	4883	67
	Churu (Delivery)	5167	4800	367
	Bikaner (Loose)	5300	5183	117
	Bikaner (Delivery)	5483	5358	125
	Khajuwala Bikaner (Loose)	5296	5220	76
	Khajuwala Bikane(Delivery)	5516	5429	87
	Nokha(Loose)	5203	5133	70
	Nokha (Delivery)	5391	5318	73
	Hanumangarh (Loose)	5296	5158	138
	Hanumangarh (Delivery)	5433	5367	66
Haryana	Adampur (Loose)	5390	5117	273
	Adampur (Delivery)	5570	5317	253

	Sirsa (Loose)	NA	NA	-
	Bhiwani (Delivery)	5425	5250	175
	Dhabwali (Loose)	5224	5159	65
	Dhabwali (Delivery)	5424	5359	65
	Siwani (Loose)	5354	5250	104
	Ellanabad (Loose)	5350	5230	120
Gujarat	Deesa (Loose)	5356	5083	273
	Patan (Loose)	5249	4833	416
	Rajkot (Loose)	5376	4950	426
Madhya pradesh	Dabra (Loose)	4550	4133	417
Guar Gum				
Rajasthan	Jodhpur	15467	14842	625
	Alwar	15167	14000	1167
Haryana	Sirsa	NA	NA	-
	Bhiwani	15317	14920	397
	Dhabwali	15542	14983	559
	Ellanabad	15450	14933	517

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	4-Jul-14	27-Jun-14	4-Jun-14	4-Jul-13
Rajasthan	Jodhpur (Loose)	5300	5400	4875	7050
	Jodhpur(Delivery)	5500	5600	5075	7200
	Sri-Ganganagar(Loose)	5200	5350	4800	7000
	Sri-Ganganagar (Delivery)	5400	5550	5000	7300
	Nagaur (Loose)	5100	5300	4700	6700
	Alwar (loose)	4800	5200	4600	6600
	Churu (Delivery)	5100	NA	NR	7100
	Bikaner (Loose)	5250	5500	4950	7000
	Bikaner (Delivery)	5400	5650	5000	7400
	Khajuwala Bikaner (Loose)	5200	5400	4780	6880
	Khajuwala Bikane(Delivery)	5408	5616	4971	7155
	Nokha(Loose)	5050	5400	4850	7000
	Nokha (Delivery)	5231	5594	5025	7250
	Hanumangarh (Loose)	5200	5450	NA	7000
	Hanumangarh (Delivery)	5350	5650	NA	7200

Haryana	Adampur (Loose)	5250	5350	4850	7100
	Adampur (Delivery)	5400	5550	5000	7400
	Sirsa (Loose)	-	NA	5100	7100
	Bhiwani (Delivery)	5400	5600	5000	6850
	Dhabwali (Loose)	5170	5430	4900	7050
	Dhabwali (Delivery)	5370	5630	5100	7300
	Siwani (Loose)	5325	5400	5000	-
	Ellanabad (Loose)	5250	5500	4865	-
Gujarat	Deesa (Loose)	5255	5205	4535	6750
	Patan (Loose)	5180	4960	4550	6675
	Rajkot (Loose)	5325	5075	4625	7000
Madhya pradesh	Dabra (Loose)	4500	4200	4500	6500
Guar Gum					
Rajasthan	Jodhpur	15500	15700	13900	20500
	Alwar	15000	NA	NR	20500
Haryana	Sirsa	-	NA	13000	21000
	Bhiwani	15100	16000	13950	20300
	Dhabwali	15300	15800	14000	21500
	Ellanabad	14800	15800	14000	-

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		28th to 4th July 14	21th to 27th June 14	
Rajasthan	Jodhpur	1650	1200	450
	Sri-Ganganagar	7000	12000	-5000
	Nagaur	1900	1600	300
	Alwar	3100	8800	-5700
	Churu	2000	500	1500
	Bikaner	9000	4800	4200
	Khajuwala Bikaner	3900	3100	800
	Nokha	4200	3700	500
	Hanumangarh	2450	1400	1050
Haryana	Adampur	20000	24000	-4000
	Sirsa	NA	NA	-
	Bhiwani	12000	8100	3900
	Dhabwali	1500	1800	-300
	Siwani	18000	13500	4500
	Ellanabad	4000	4000	Unch
Gujarat	Deesa	6501	2346	4155



	Patan (Loose)	6399	1203	5196
	Rajkot	10585	6200	4385
Madhya pradesh	Dabra	1250	1000	250
Total Arrival		115435	99249	16186

Commodity: Guar Seed
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2014

Guar Seed (Weekly Aug 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	Aug	5275	5385	5825	6110	6295
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	Buy	Above 5650	5950	6100	5470

Commodity: Guar Gum
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2014

Guar Gum (Aug Weekly Chart)



Technical Commentary:

- Guar prices are still trading in an uptrend as chart depicts.
- However, RSI is hovering at neutral region.
- Profit booking comes at higher levels.
- Last candlestick depicts bearishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Aug	14500	14790	16010	16880	17380
Weekly Trade Call`			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Aug	Buy	Above 15500	16000	16250	15200

Spot Market Technical Analysis of Guar seed & Guar gum

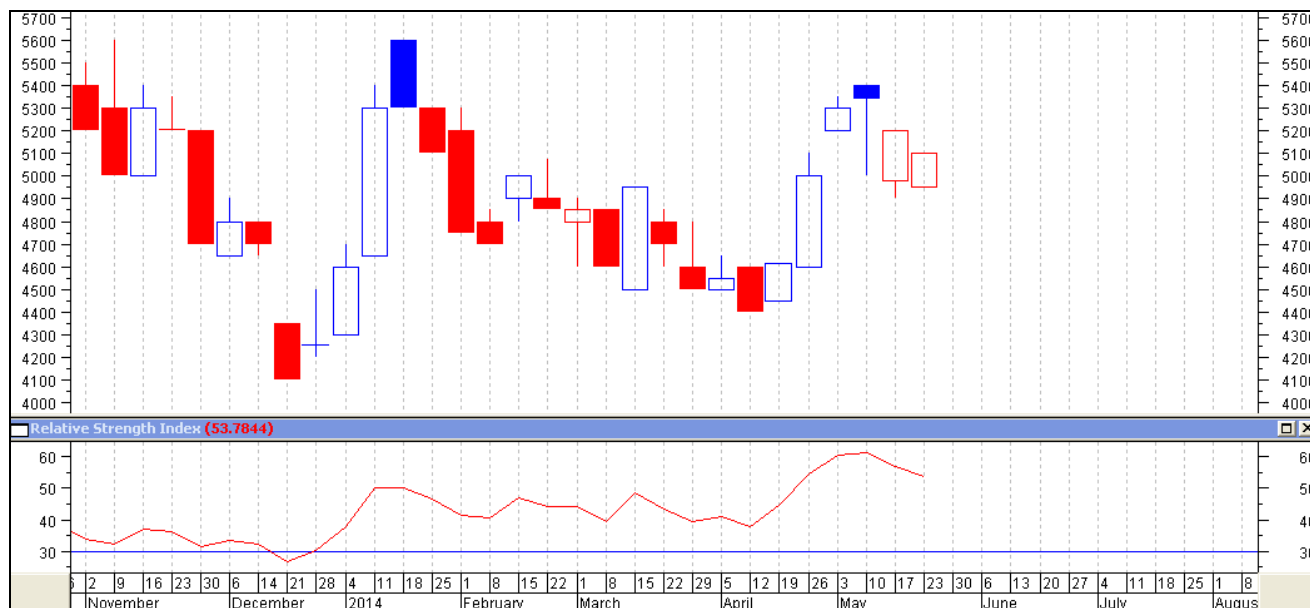


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

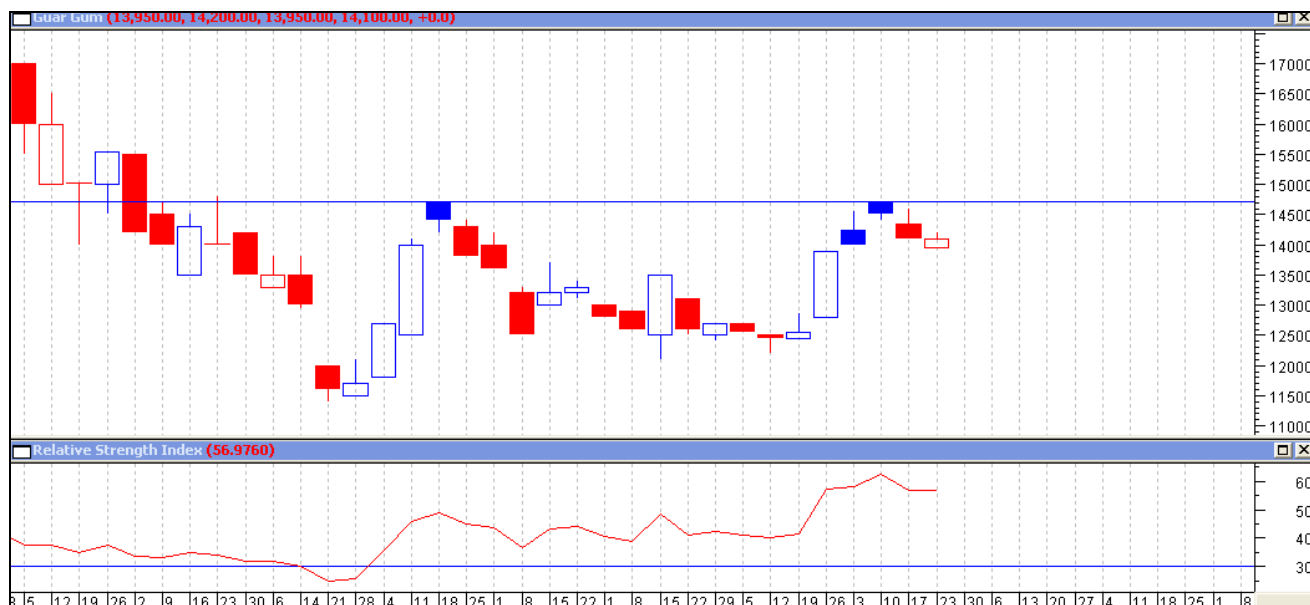


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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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