

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.
- Monsoon position worsening in Gujarat and Rajasthan as reported. Monsoon is likely to hit the surface in mentioned states after 10-15 days as reported.
- 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.

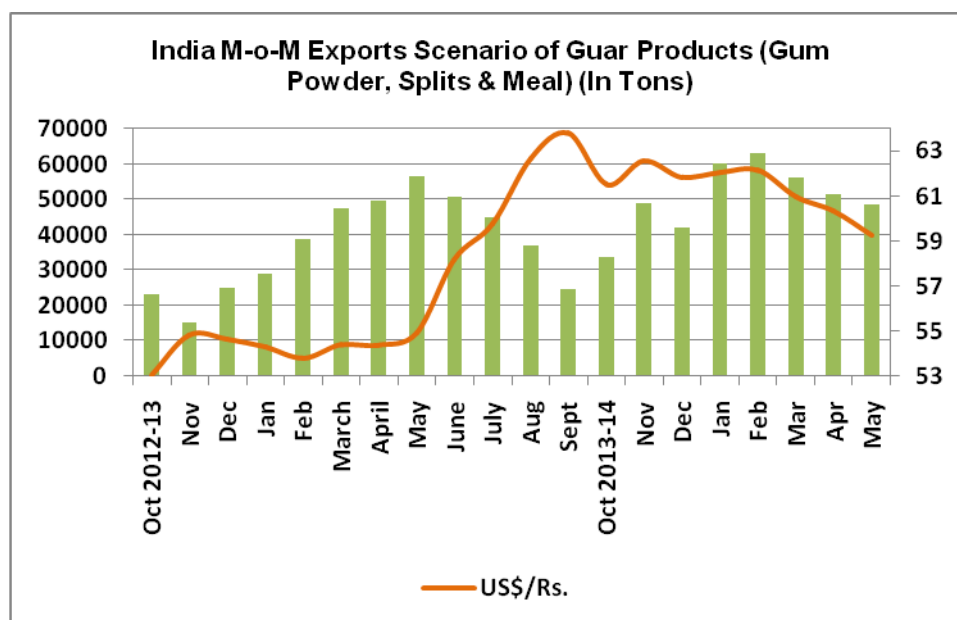
Export and Import Scenario

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.

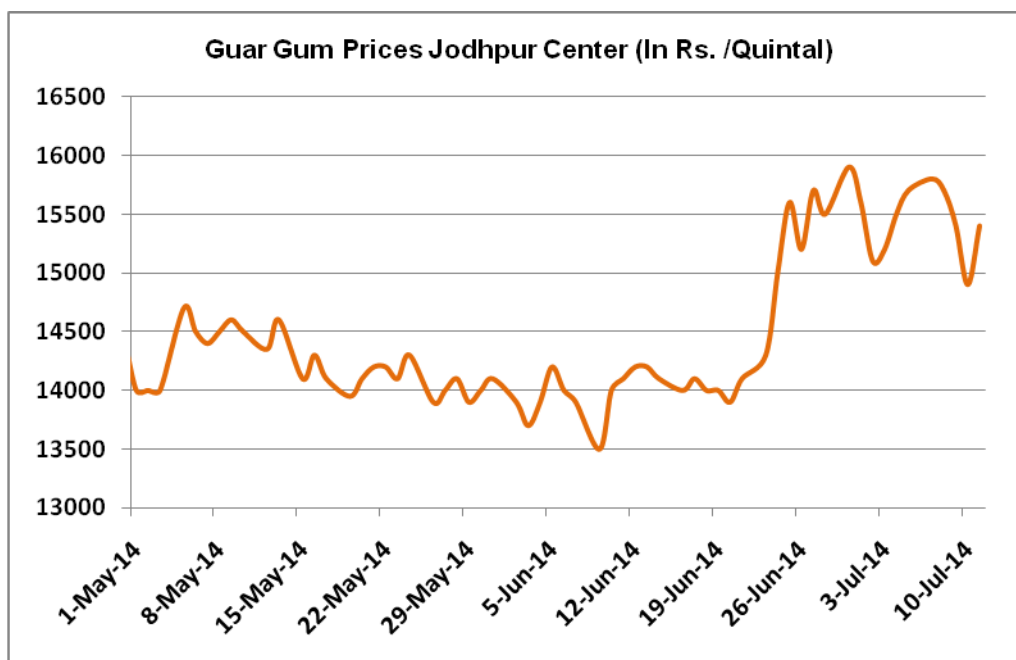
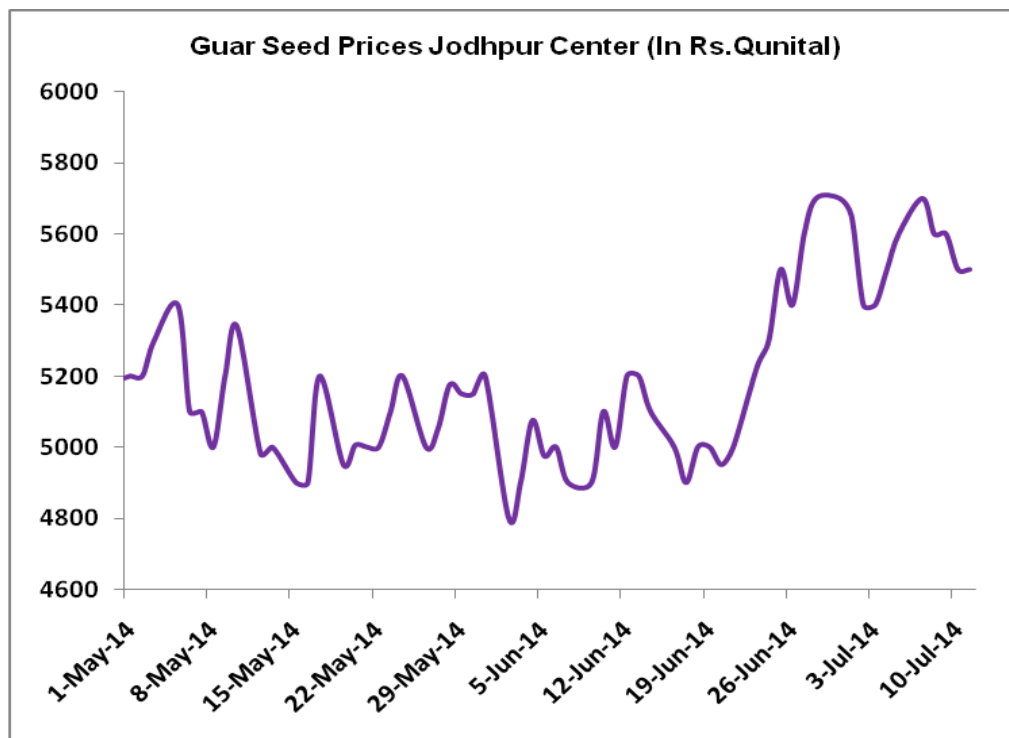
Demand Side of Guar and Guar Gum:

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.

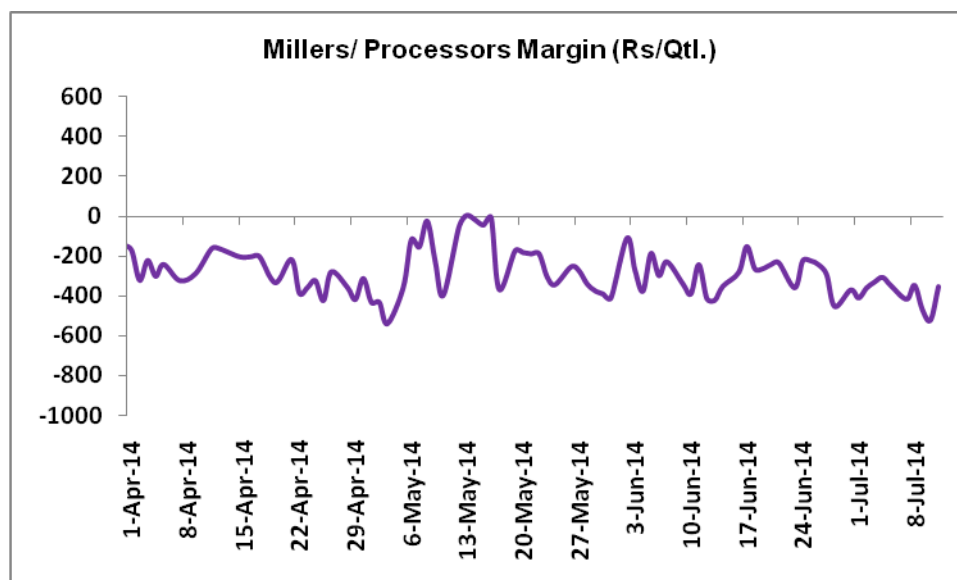


Price Scenario

In the first week of July, the average price of guar seed improved by 0.4% to Rs.5583/Qtl compared to prior week. Also, guar gum prices improved last week by 0.11% to Rs.15483/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 July 2014, average crush margin stood at Rs. -407/Quintal which was -369 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	5th to 11th July 14	28th to 4th July 14	Change
Churi	Jodhpur	940	964	-24
Korma	Jodhpur	1367	1395	-28
Churi	Sri-Ganganagar	900	900	Unch
Korma	Sri-Ganganagar	1317	1316	1
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	5th to 11th July 14	28th to 4th July 14	Change
Guargum Split		2605	2580	25
Guargum Powder	200 Mesh 5000 CPS	2981	2911	70
	200 Mesh 3500 CPS	2881	2827	54
Guargum Meal	40%	277	290	-13
	50%	380	387	-7
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	5th to 11th July 14	28th to 4th July 14	
Rajasthan	Jodhpur (Loose)	5308	5342	-33
	Jodhpur(Delivery)	5583	5558	25
	Sri-Ganganagar(Loose)	5346	5290	56
	Sri-Ganganagar (Delivery)	5517	5467	50
	Nagaur (Loose)	5258	5125	133
	Alwar (loose)	5108	4950	158
	Churu (Delivery)	5375	5167	208
	Bikaner (Loose)	5433	5300	133
	Bikaner (Delivery)	5583	5483	100
	Khajuwala Bikaner (Loose)	5388	5296	93
	Khajuwala Bikaner(Delivery)	5604	5516	88
	Nokha(Loose)	5240	5203	37
	Nokha (Delivery)	5429	5391	38
	Hanumangarh (Loose)	5325	5296	29
	Hanumangarh (Delivery)	5525	5433	93
Haryana	Adampur (Loose)	5432	5390	42
	Adampur (Delivery)	5620	5570	50
	Sirsa (Loose)	5317	NR	-
	Bhiwani (Delivery)	5450	5425	25
	Dhabwali (Loose)	5346	5224	122
	Dhabwali (Delivery)	5533	5424	109
	Siwani (Loose)	5425	5354	71
	Ellanabad (Loose)	5380	5350	30
Gujarat	Deesa (Loose)	5323	5356	-33
	Patan (Loose)	5203	5249	-46
	Rajkot (Loose)	5353	5376	-23
Madhya pradesh	Dabra (Loose)	4367	4550	-183
Guar Gum				
Rajasthan	Jodhpur	15483	15467	17
	Alwar	15300	15167	133
Haryana	Sirsa	14667	NR	-
	Bhiwani	15517	15317	200
	Dhabwali	15517	15542	-25
	Ellanabad	15450	15450	Unch

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	11-Jul-14	4-Jul-14	11-Jun-14	11-Jul-13
Rajasthan	Jodhpur (Loose)	5350	5300	4800	6700
	Jodhpur(Delivery)	5500	5500	5000	7000
	Sri-Ganganagar(Loose)	5325	5200	4900	6900
	Sri-Ganganagar (Delivery)	5450	5400	5100	7200

	Nagaur (Loose)	5300	5100	4750	6600
	Alwar (loose)	5000	4800	4600	6500
	Churu (Delivery)	5400	5100	5000	6900
	Bikaner (Loose)	5450	5250	4950	6750
	Bikaner (Delivery)	5600	5400	5200	7000
	Khajuwala Bikaner (Loose)	5350	5200	4815	6800
	Khajuwala Bikaner (Delivery)	5564	5408	5008	7103
	Nokha (Loose)	5250	5050	4850	6850
	Nokha (Delivery)	5439	5231	5025	7150
	Hanumangarh (Loose)	NR	5200	4900	6700
	Hanumangarh (Delivery)	NR	5350	5100	6950
Haryana	Adampur (Loose)	5450	5250	4800	6900
	Adampur (Delivery)	5700	5400	5000	7100
	Sirsa (Loose)	5200	NR	5050	7000
	Bhiwani (Delivery)	5450	5400	4970	7000
	Dhabwali (Loose)	5350	5170	4850	6750
	Dhabwali (Delivery)	5500	5370	5000	7000
	Siwani (Loose)	5450	5325	4950	NR
	Ellanabad (Loose)	5370	5250	4900	NR
Gujarat	Deesa (Loose)	5000	5255	4505	6260
	Patan (Loose)	5225	5180	4630	6465
	Rajkot (Loose)	5275	5325	4575	6755
Madhya pradesh	Dabra (Loose)	4300	4500	4200	7000
Guar Gum					
Rajasthan	Jodhpur	15400	15500	14100	20200
	Alwar	15200	15000	14200	20000
Haryana	Sirsa	14500	NR	13000	20000
	Bhiwani	15500	15100	14300	20500
	Dhabwali	15500	15300	14150	20000
	Ellanabad	15600	14800	14200	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		5th to 11th July 14	28th to 4th July 14	
Rajasthan	Jodhpur	2000	1650	350
	Sri-Ganganagar	7500	7000	500
	Nagaur	750	1900	-1150
	Alwar	4500	3100	1400
	Churu	2100	2000	100
	Bikaner	2300	9000	-6700
	Khajuwala Bikaner	4100	3900	200
	Nokha	2450	4200	-1750

	Hanumangarh	650	2450	-1800
Haryana	Adampur	17000	20000	-3000
	Sirsa	3000	NR	-
	Bhiwani	11900	12000	-100
	Dhabwali	1450	1500	-50
	Siwani	11500	18000	-6500
	Ellanabad	3300	4000	-700
Gujarat	Deesa	1446	6501	-5055
	Patan (Loose)	954	6399	-5445
	Rajkot	3040	10585	-7545
Madhya pradesh	Dabra	1600	1250	350
Total Arrival		81540	115435	-33895

Commodity: Guar Seed
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2014

Guar Seed (Weekly Aug Contract Chart)



Technical Commentary:

- Guar prices are showing downward correction on the charts.
- 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	Aug	-	5275	5610	6110	6295
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	Sell	Below 5700	5400	5300	5880



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: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Aug	13950	14570	15340	16880	17380
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Aug	Sell	Below 15700	15000	14700	16100

Spot Market Technical Analysis of Guar seed & Guar gum

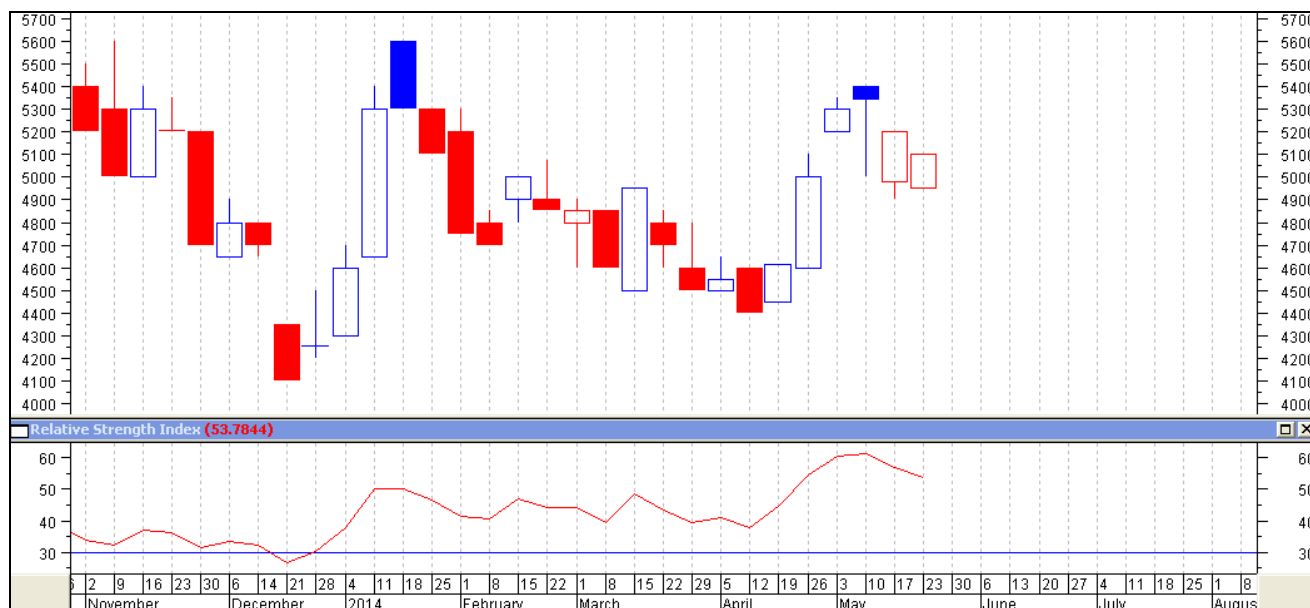


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

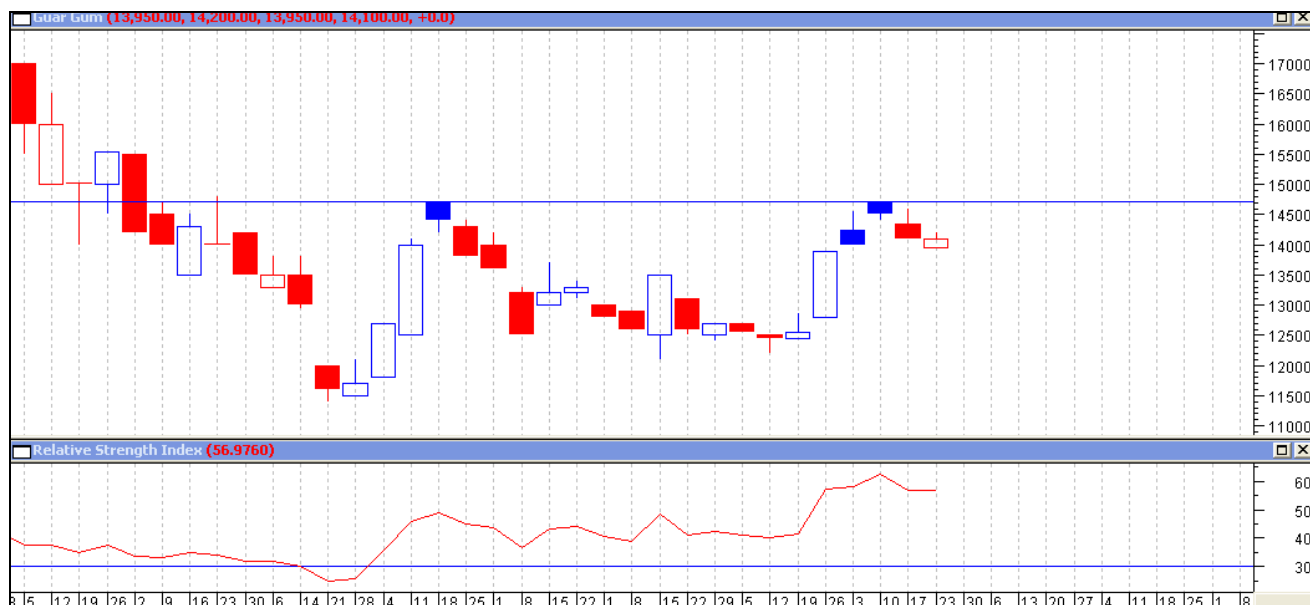


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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 are currently in a correction mode. Market is presently watching closely the flow of monsoon rainfall. It is also expected that rainfall likely to occur in Rajasthan and Gujarat region which ultimately discounted by markets already.

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.