

Domestic Market Recap:

- Guar seed and gum prices declined last week owing to monsoon arrived in some parts of Rajasthan and Haryana.
- Commodity futures market is going to become expensive for investors in Rajasthan as state govt. has proposed a rise in stamp duty to 1000 for a turnover of a crore. Earlier it was Rs 30 per crore.
- Gujarat likely to get some rainfall especially kutch and Mehsana region in the coming week as reported.
- With increasing momentum of precipitation in guar region, guar sowing likely to start specially in rainfed areas like Rajasthan and Gujarat. Earlier, farmers are thinking to plant castor against guar if rainfall not occur in next 10 days.
- Punters are trying to pull the market down to take long positions at lower levels. From current, we are expecting maximum Rs 200 downside from there prices should rebound.
- Meanwhile, satellite picture clearly suggest that monsoon rainfall likely to hit Western Rajasthan and Gujarat in the near term which might decline the prices.
- Guar germination will drying if monsoon rains not come within a week specially in irrigated areas like Haryana and north Rajasthan.

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 1100 bags of guar seed last week 2014 which was lower by 1650 bags compared to prior week. Major reason for decline in arrivals was increase in VAT by govt. in Rajasthan in specific commodities like Spices.

Also in Adampur (Haryana) market which is the biggest market of guar in North also reported lower arrivals (10000 bags) compared to prior week i.e. 17000 bags.

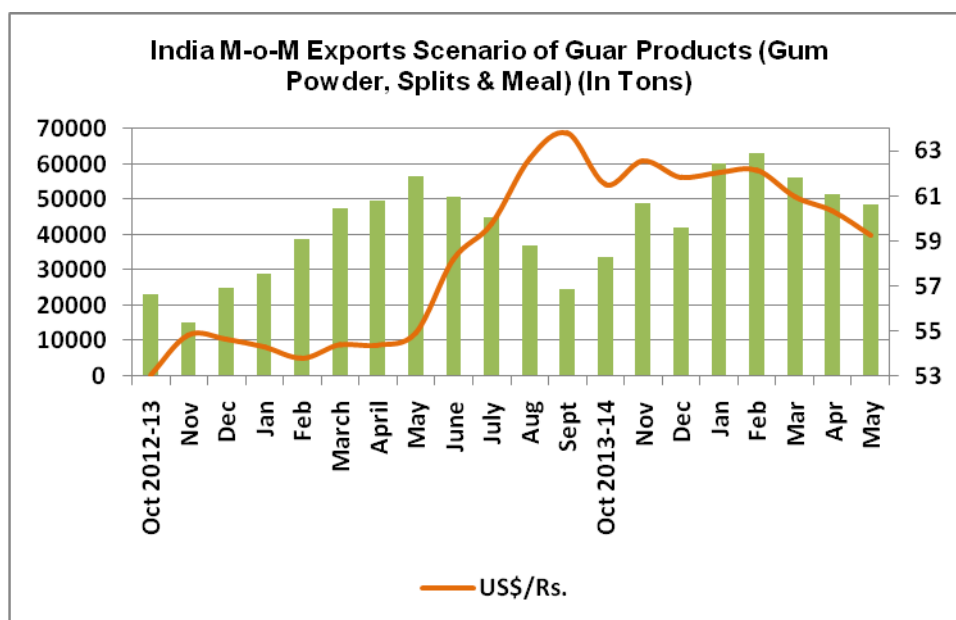
Export and Import Scenario

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.

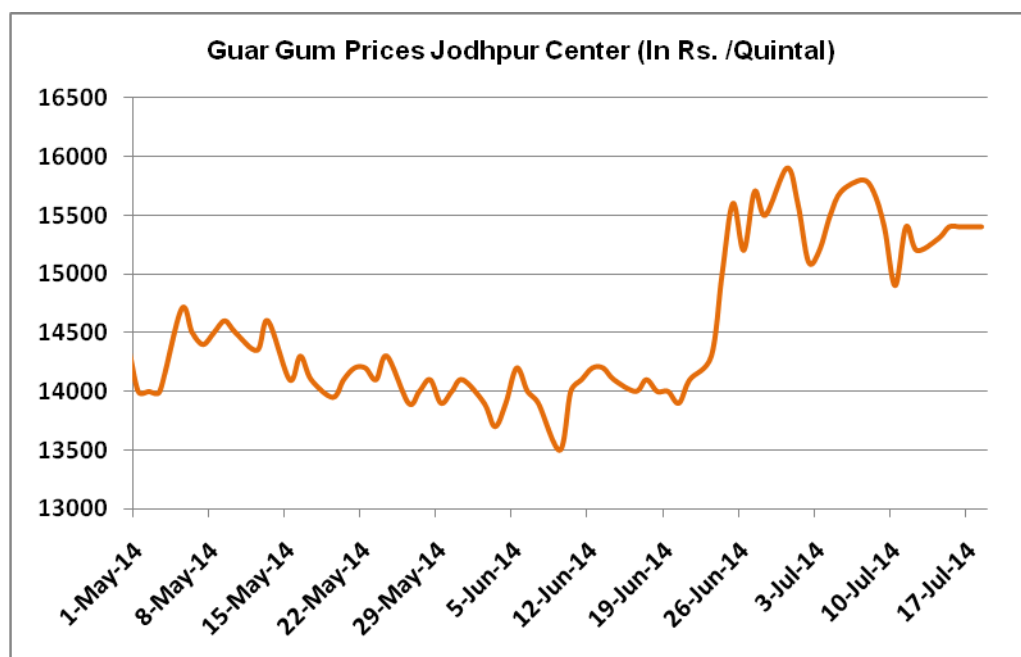
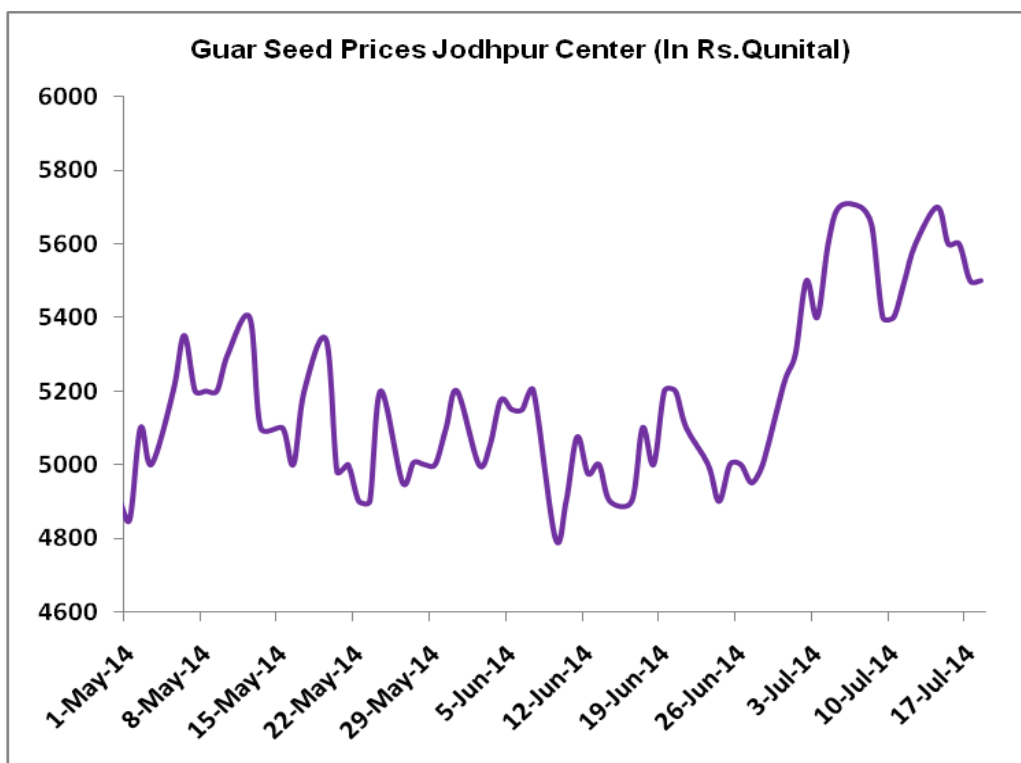
Demand Side of Guar and Guar Gum:

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.

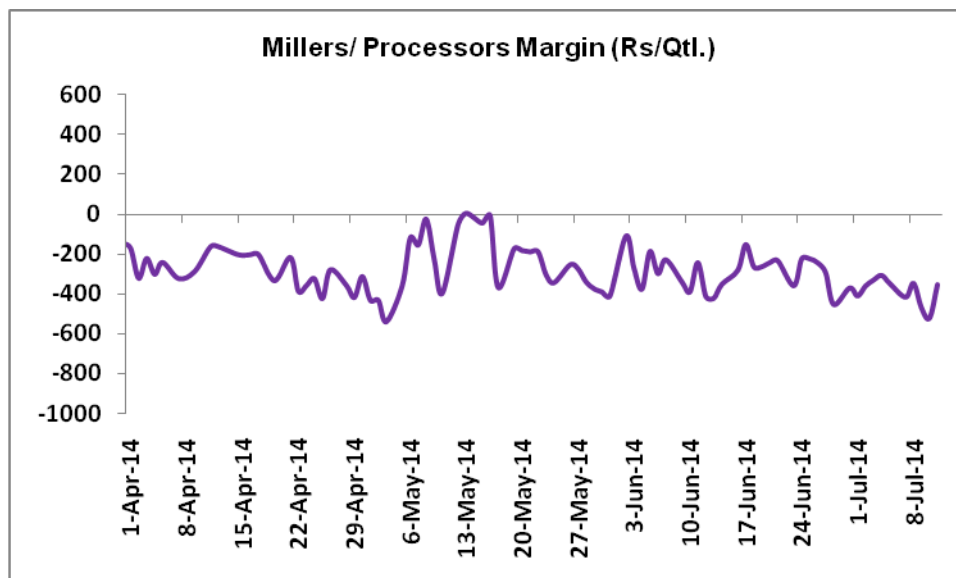


Price Scenario

In the first week of July, the average price of guar seed declined by 6% to Rs.5233/Qtl compared to prior week. Also, guar gum prices declined last week by 1% to Rs.15350/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

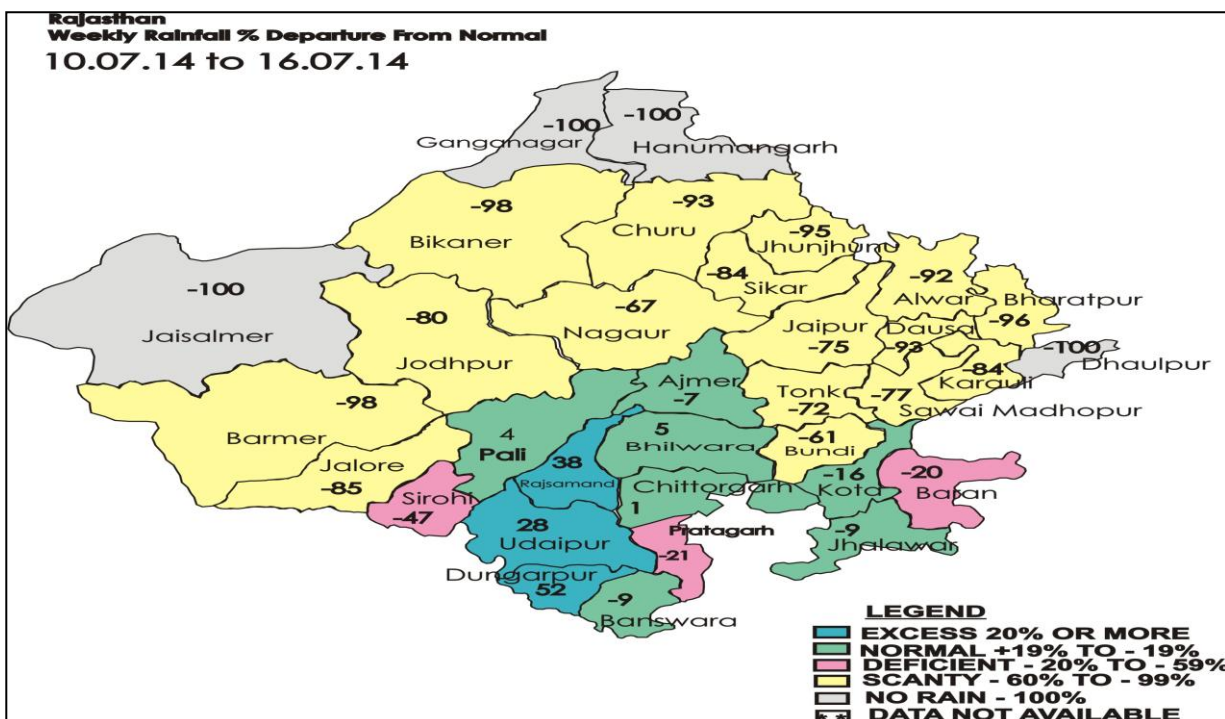


Millers/Processors Margin



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.

Rainfall Conditions in Guar Growing Regions:



As we can see there is no or very less rainfall especially in the Western Rajasthan (consider as the biggest guar growing region) last week. Also, there is no rainfall witnessed in some irrigated areas of guar like Ganganagar where rainfall is must as farmers planted guar by the help of manmade irrigation. If rainfall doesn't occur in the next one week then germination will dry up of guar as expected.

Guar by – Products Weekly Average Prices:

Commodity	Centre	12th to 18th June 14	5th to 11th July 14	Change
Churi	Jodhpur	921	940	-19
Korma	Jodhpur	1358	1367	-9
Churi	Sri-Ganganagar	892	900	-8
Korma	Sri-Ganganagar	1283	1317	-34
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	12th to 18th June 14	5th to 11th July 14	Change
Guargum Split		2549	2605	-56
Guargum Powder	200 Mesh 5000 CPS	2910	2981	-71
	200 Mesh 3500 CPS	2827	2881	-54
Guargum Meal	40%	273	277	-4
	50%	373	380	-7
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	12th to 18th June 14	5th to 11th July 14	
Rajasthan	Jodhpur (Loose)	5133	5308	-175
	Jodhpur(Delivery)	5383	5583	-200
	Sri-Ganganagar(Loose)	5254	5346	-92
	Sri-Ganganagar (Delivery)	5408	5517	-109
	Nagaur (Loose)	5250	5258	-8
	Alwar (loose)	5000	5108	-108
	Churu (Delivery)	5340	5375	-35
	Bikaner (Loose)	5308	5433	-125
	Bikaner (Delivery)	5483	5583	-100
	Khajuwala Bikaner (Loose)	5250	5388	-138
	Khajuwala Bikaner(Delivery)	5460	5604	-144
	Nokha(Loose)	5183	5240	-57

	Nokha (Delivery)	5370	5429	-59
	Hanumangarh (Loose)	5314	5325	-11
	Hanumangarh (Delivery)	5509	5525	-16
Haryana	Adampur (Loose)	5350	5432	-82
	Adampur (Delivery)	5540	5620	-80
	Sirsa (Loose)	5217	5317	-100
	Bhiwani (Delivery)	5413	5450	-38
	Dhabwali (Loose)	5298	5346	-48
	Dhabwali (Delivery)	5493	5533	-40
	Siwani (Loose)	5379	5425	-46
	Ellanabad (Loose)	5327	5380	-53
Gujarat	Deesa (Loose)	5354	5323	31
	Patan (Loose)	5177	5203	-26
	Rajkot (Loose)	5233	5353	-121
Madhya pradesh	Dabra (Loose)	4440	4367	73
Guar Gum				
Rajasthan	Jodhpur	15300	15483	-183
	Alwar	15200	15300	-100
Haryana	Sirsa	14617	14667	-50
	Bhiwani	15300	15517	-217
	Dhabwali	15408	15517	-109
	Ellanabad	15342	15450	-108

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	18-Jul-14	11-Jul-14	18-Jun-14	18-Jul-13
Rajasthan	Jodhpur (Loose)	NA	5350	4800	6800
	Jodhpur(Delivery)	NA	5500	5000	6900
	Sri-Ganganagar(Loose)	5200	5325	4900	6800
	Sri-Ganganagar (Delivery)	5350	5450	5100	7000
	Nagaur (Loose)	NA	5300	4600	6500
	Alwar (loose)	4800	5000	4600	6000
	Churu (Delivery)	5200	5400	5000	6500
	Bikaner (Loose)	5250	5450	4950	6800
	Bikaner (Delivery)	5450	5600	5100	7000
	Khajuwala Bikaner (Loose)	5200	5350	4870	6650
	Khajuwala Bikaner(Delivery)	5408	5564	5065	6916
	Nokha(Loose)	5200	5250	4800	6500
	Nokha (Delivery)	5387	5439	4973	6755

	Hanumangarh (Loose)	5275	NR	4700	6600
	Hanumangarh (Delivery)	5475	NR	4900	6800
Haryana	Adampur (Loose)	NA	5450	4900	6600
	Adampur (Delivery)	NA	5700	5100	6800
	Sirsa (Loose)	5100	5200	4800	7000
	Bhiwani (Delivery)	5300	5450	4700	6750
	Dhabwali (Loose)	NA	5350	4900	6850
	Dhabwali (Delivery)	NA	5500	5100	7050
	Siwani (Loose)	5350	5450	4950	NR
	Ellanabad (Loose)	5300	5370	4950	NR
Gujarat	Deesa (Loose)	5855	5000	4585	6355
	Patan (Loose)	5225	5225	4540	6430
	Rajkot (Loose)	5285	5275	4610	6585
Madhya pradesh	Dabra (Loose)	4800	4300	4200	6000
Guar Gum					
Rajasthan	Jodhpur	NA	15400	14000	20000
	Alwar	15000	15200	14000	19000
Haryana	Sirsa	14000	14500	13000	20000
	Bhiwani	14850	15500	13500	19200
	Dhabwali	NA	15500	14100	19700
	Ellanabad	15200	15600	14000	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		12th to 18th June 14	5th to 11th July 14	
Rajasthan	Jodhpur	1100	2000	-900
	Sri-Ganganagar	5600	7500	-1900
	Nagaur	350	750	-400
	Alwar	2900	4500	-1600
	Churu	3200	2100	1100
	Bikaner	2300	2300	Unch
	Khajuwala Bikaner	3000	4100	-1100
	Nokha	2600	2450	150
	Hanumangarh	2000	650	1350
Haryana	Adampur	10000	17000	-7000
	Sirsa	9500	3000	6500
	Bhiwani	14000	11900	2100
	Dhabwali	950	1450	-500
	Siwani	9000	11500	-2500



	Ellanabad	3000	3300	-300
Gujarat	Deesa	1365	1446	-81
	Patan (Loose)	596	954	-358
	Rajkot	1434	3040	-1606
Madhya pradesh	Dabra	1800	1600	200
Total Arrival		74695	81540	-6845

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	5530	6110	6295
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	Sell	Below 5570	5370	5280	5630



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	15140	16880	17380
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Aug	Sell	Below 15300	14800	14600	15600

Spot Market Technical Analysis of Guar seed & Guar gum

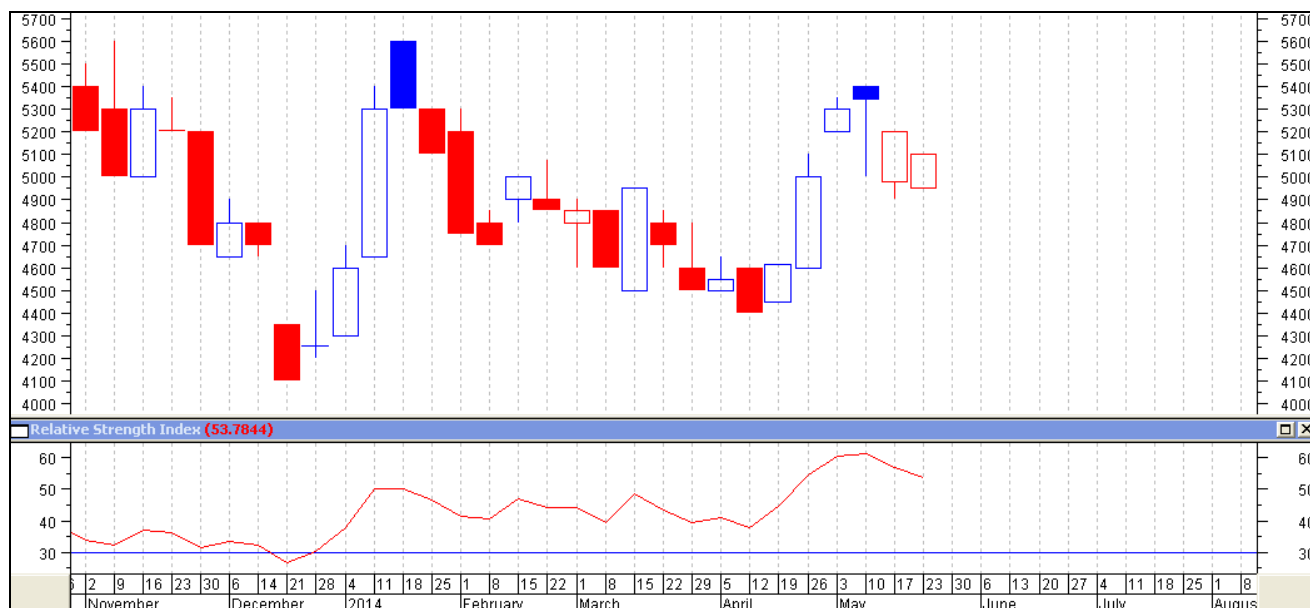


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

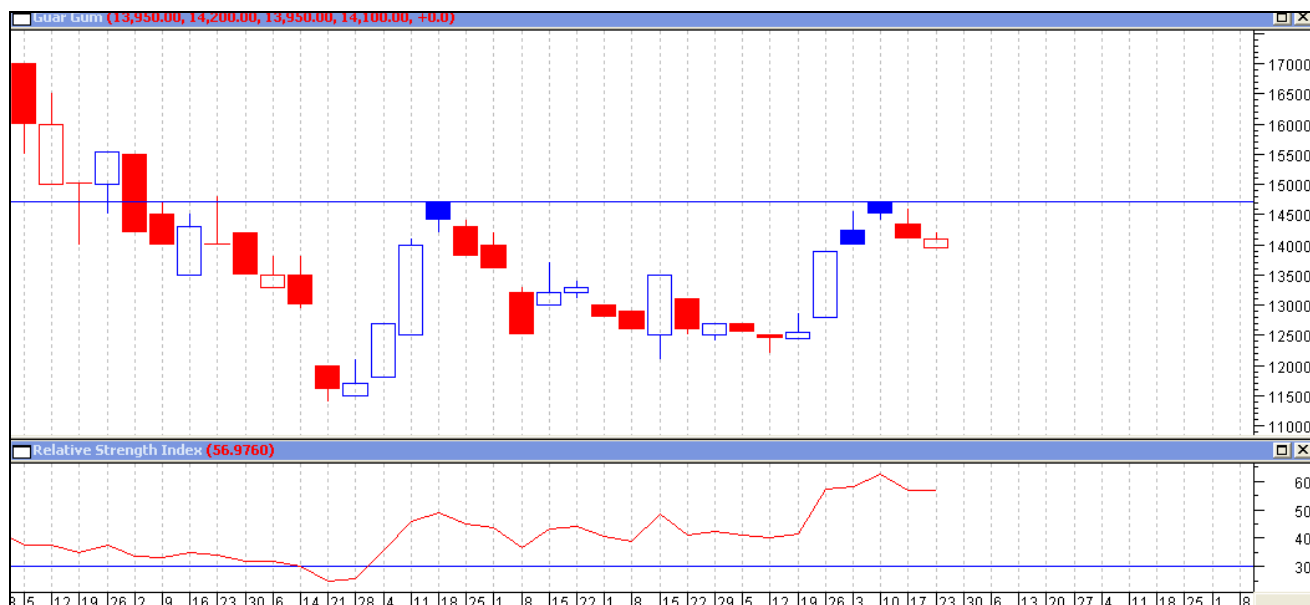


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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.

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