

Domestic Market Recap:

- Guar seed and gum prices declined last week owing to monsoon arrived in some parts of Rajasthan and Gujarat.
- Still there is pretty less rainfall in Kutch, Banaskantha, and Patan area which urge farmers to plant castor and Cotton over guar.
- Gujarat got some rainfall last week especially Sabarkantha and Mehsana region as reported. Reportedly, only 35-40% rainfall deficit against normal reported in these regions this week which was 80-90% last week.
- 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.
- Ministry of Agriculture in North Darfur (Region of West Sudan) allotted 10000 acres to cultivate guar seed crop this season. Govt encourage farmers to plant more guar crop as it can increase their incomes and can also make their soil fertile.

Current Market Dynamics

Guar seed prices declined sharply due to recent rainfall in major guar producing regions which will increase the guar sowing. Earlier, lower monsoon rainfall bound the farmers to divert their planting to other crops like Castor, Cotton, Pulses etc.

In the major Jodhpur market, arrivals were reported around 600 bags of guar seed last week 2014 which was lower by 1100 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 reported higher arrivals (12000 bags) compared to prior week i.e. 10000 bags.

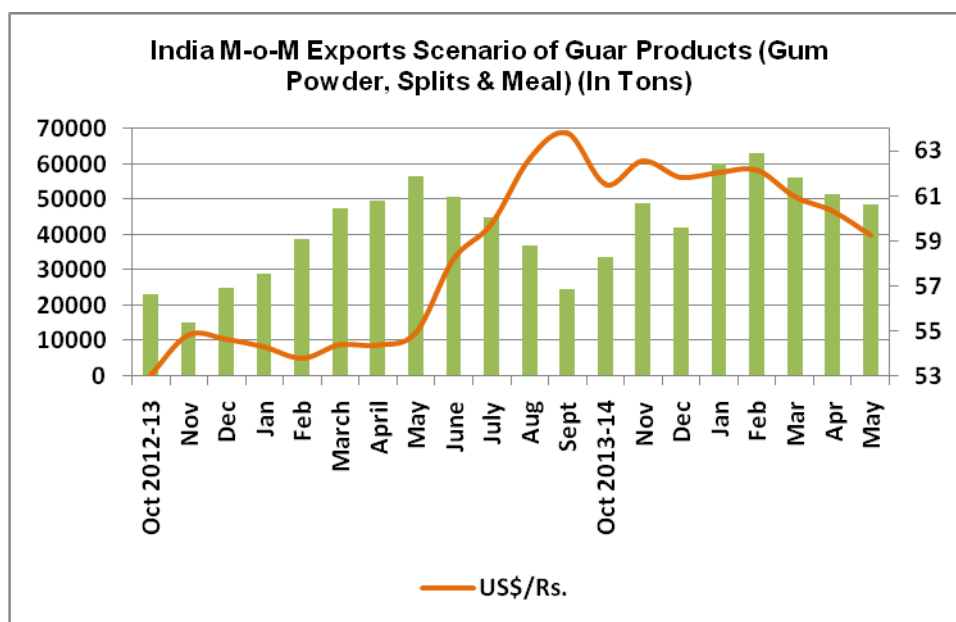
Export and Import Scenario

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.

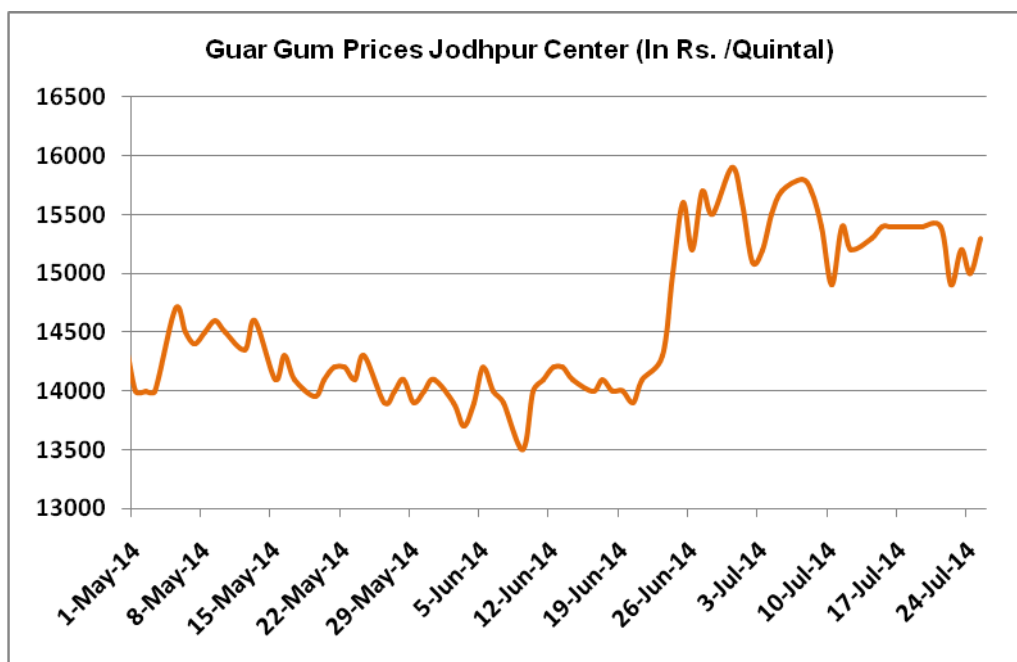
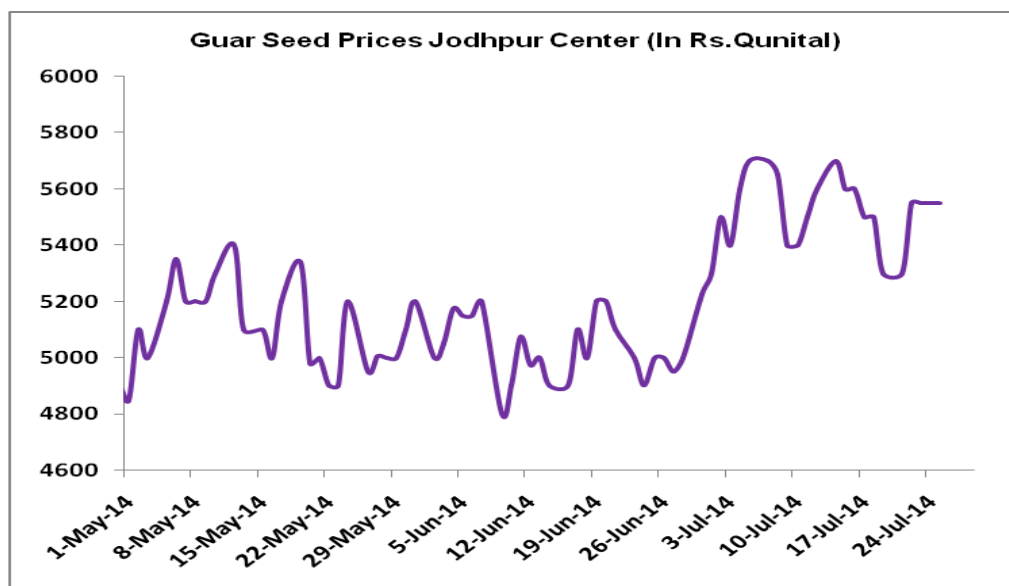
Demand Side of Guar and Guar Gum:

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.

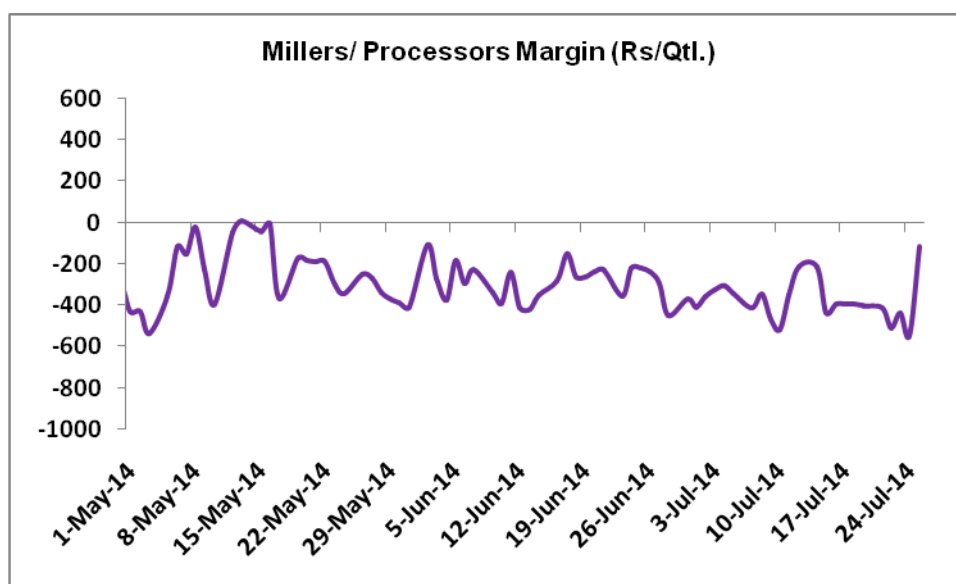


Price Scenario

In the third week of July, the average price of guar seed improved marginally by 0.12% to Rs.5475/Qtl compared to prior week. However, guar gum prices declined last week by 1% to Rs.15200/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

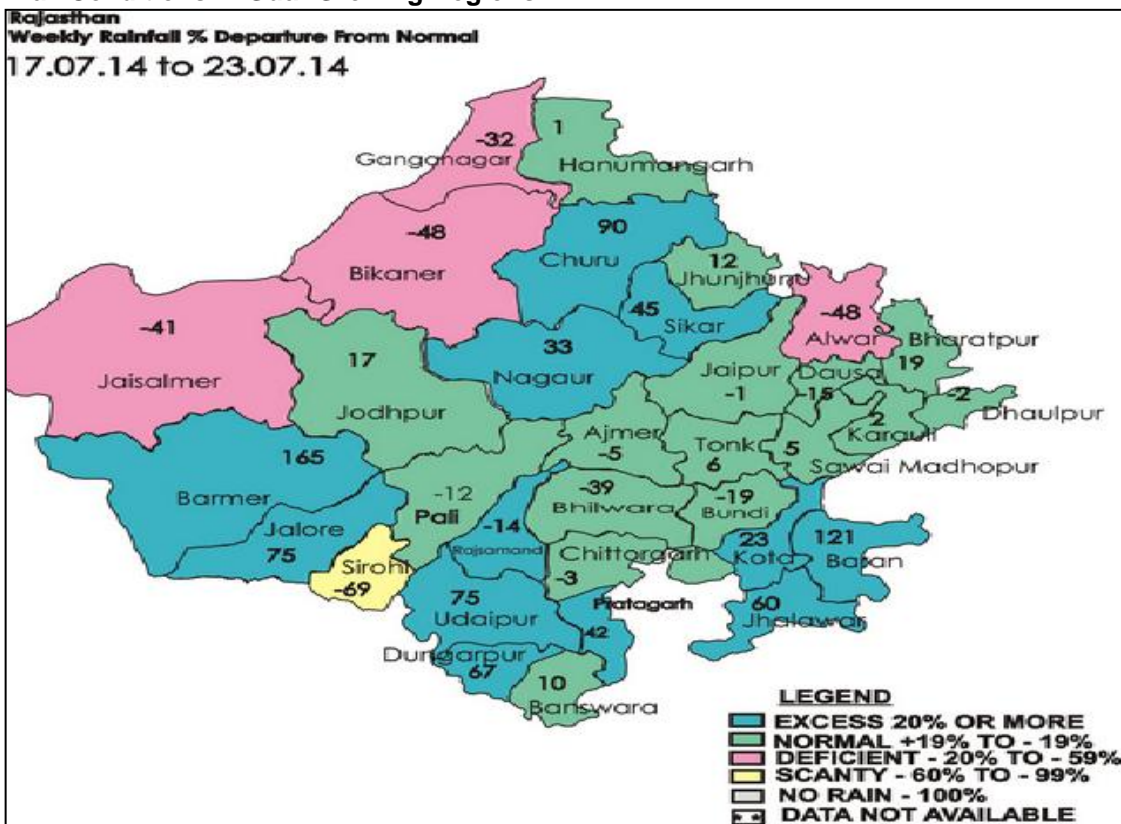


Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed declined compared to previous week. In the third week of July 2014, average crush margin stood at Rs. -402.5/Quintal which was -339.5 per quintal last week. Higher degree of decrease in guar gum average prices compared to guar seed prices and decrease in Churi and Korma prices led the margin down this week.

Rainfall Conditions in Guar Growing Regions:



As we can see now monsoon rainfall is reviving especially in the Western Rajasthan (consider as the biggest guar growing region) last week which will increase the guar sowing progress in the coming days. However, 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	19th To 25th July 14	12th To 18th July 14	Change
Churi	Jodhpur	942	921	21
Korma	Jodhpur	1308	1358	-50
Churi	Sri-Ganganagar	914	892	22
Korma	Sri-Ganganagar	1244	1283	-39
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	19th To 25th July 14	12th To 18th July 14	Change
Guargum Split		2539	2549	-10
Guargum Powder	200 Mesh 5000 CPS	2827	2910	-83
	200 Mesh 3500 CPS	2755	2827	-72
Guargum Meal	40%	273	273	Unch
	50%	363	373	-10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	19th To 25th July 14	12th To 18th July 14	
Rajasthan	Jodhpur (Loose)	5238	5133	105
	Jodhpur(Delivery)	5438	5383	55
	Sri-Ganganagar(Loose)	5262	5254	8
	Sri-Ganganagar (Delivery)	5404	5408	-4
	Nagaur (Loose)	5300	5250	50
	Alwar (loose)	4750	5000	-250
	Churu (Delivery)	5150	5340	-190
	Bikaner (Loose)	5220	5308	-88
	Bikaner (Delivery)	5400	5483	-83
	Khajuwala Bikaner (Loose)	5210	5250	-40
	Khajuwala Bikane(Delivery)	5418	5460	-42
	Nokha(Loose)	5160	5183	-23
	Nokha (Delivery)	5346	5370	-24
	Hanumangarh (Loose)	5208	5314	-106

	Hanumangarh (Delivery)	5408	5509	-101
Haryana	Adampur (Loose)	5283	5350	-67
	Adampur (Delivery)	5475	5540	-65
	Sirsa (Loose)	5110	5217	-107
	Bhiwani (Delivery)	5367	5413	-46
	Dhabwali (Loose)	5265	5298	-33
	Dhabwali (Delivery)	5440	5493	-53
	Siwani (Loose)	5321	5379	-58
	Ellanabad (Loose)	5333	5327	6
Gujarat	Deesa (Loose)	5162	5354	-192
	Patan (Loose)	5438	5177	261
	Rajkot (Loose)	5103	5233	-130
Madhya pradesh	Dabra (Loose)	4800	4440	360
Guar Gum				
Rajasthan	Jodhpur	15100	15300	-200
	Alwar	15383	15200	183
Haryana	Sirsa	14140	14617	-477
	Bhiwani	15075	15300	-225
	Dhabwali	15000	15408	-408
	Ellanabad	15083	15342	-259

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	25-Jul-14	18-Jul-14	25-Jun-14	25-Jul-13
Rajasthan	Jodhpur (Loose)	5000	NA	5300	5800
	Jodhpur(Delivery)	5200	NA	5500	5900
	Sri-Ganganagar(Loose)	5200	5200	5200	5700
	Sri-Ganganagar (Delivery)	5400	5350	5350	5800
	Nagaur (Loose)	Closed	NA	5325	5300
	Alwar (loose)	4600	4800	5100	5300
	Churu (Delivery)	5000	5200	NA	5700
	Bikaner (Loose)	5300	5250	5350	5500
	Bikaner (Delivery)	5500	5450	5600	5900
	Khajuwala Bikaner (Loose)	5200	5200	5300	5700
	Khajuwala Bikaner(Delivery)	5408	5408	5512	5928
	Nokha(Loose)	5200	5200	5350	5600
	Nokha (Delivery)	5387	5387	5543	5800
	Hanumangarh (Loose)	5200	5275	5400	5620
	Hanumangarh (Delivery)	5400	5475	5600	5770
Haryana	Adampur (Loose)	5300	NA	5300	5900
	Adampur (Delivery)	5500	NA	5500	6100
	Sirsa (Loose)	5100	5100	NA	5800
	Bhiwani (Delivery)	5300	5300	5500	5800
	Dhabwali (Loose)	5300	NA	5300	5200

	Dhabwali (Delivery)	5400	NA	5500	5500
	Siwani (Loose)	5350	5350	5400	NR
	Ellanabad (Loose)	5400	5300	5300	NR
Gujarat	Deesa (Loose)	5090	5855	5125	5250
	Patan (Loose)	5350	5225	5005	5760
	Rajkot (Loose)	5150	5285	5150	5855
Madhya pradesh	Dabra (Loose)	NA	4800	NA	5500
Guar Gum					
Rajasthan	Jodhpur	15300	NA	15600	16300
	Alwar	15000	15000	NA	17000
Haryana	Sirsa	14000	14000	NA	16000
	Bhiwani	15100	14850	15800	17000
	Dhabwali	14800	NA	15400	18000
	Ellanabad	15000	15200	15300	NR

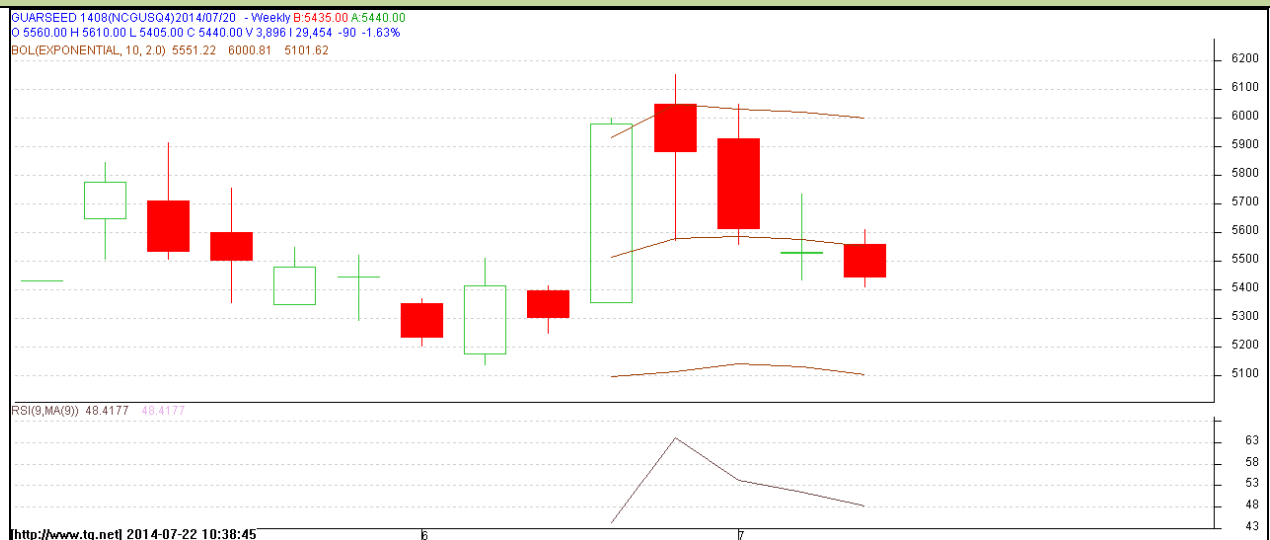
Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		19th To 25th July 14	12th To 18th July 14	
Rajasthan	Jodhpur	600	1100	-500
	Sri-Ganganagar	5400	5600	-200
	Nagaur	250	350	-100
	Alwar	1400	2900	-1500
	Churu	2400	3200	-800
	Bikaner	1750	2300	-550
	Khajuwala Bikaner	2600	3000	-400
	Nokha	3200	2600	600
	Hanumangarh	1450	2000	-550
Haryana	Adampur	12000	10000	2000
	Sirsa	10000	9500	500
	Bhiwani	16000	14000	2000
	Dhabwali	1000	950	50
	Siwani	10000	9000	1000
	Ellanabad	3500	3000	500
Gujarat	Deesa	1525	1365	160
	Patan (Loose)	1429	596	833
	Rajkot	2683	1434	1249
Madhya pradesh	Dabra	1200	1800	-600
Total Arrival		78387	74695	3692

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	5150	5275	5620	6110	6295
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	Sell	Below 5570	5370	5280	5690

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	15530	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

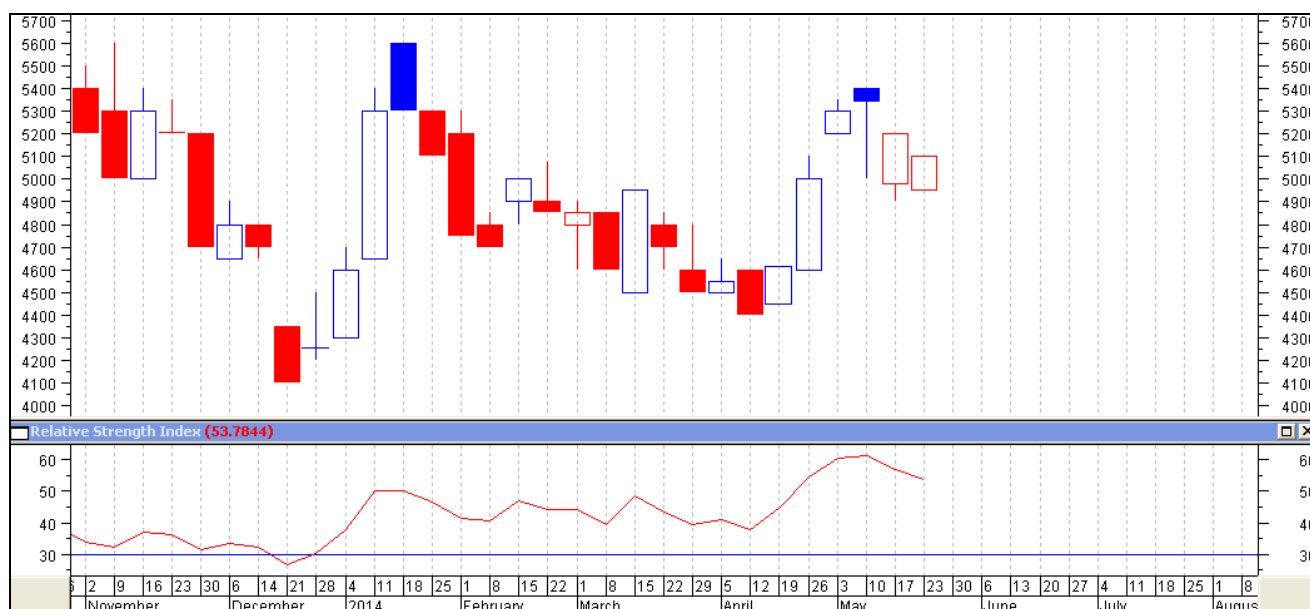


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

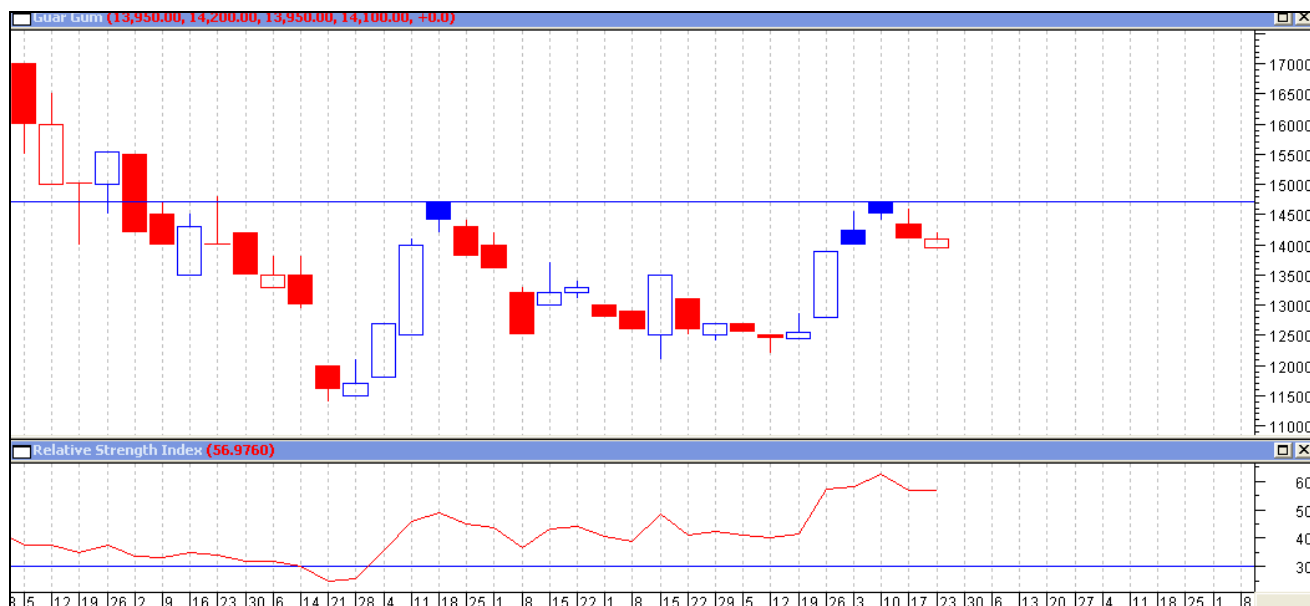


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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:

Good precipitation in guar producing regions especially in rainfed areas of Western Rajasthan like Bikaner, Ajmer, Jaipur etc. contribute the sowing progress of guar seed. It is notable that market participants are in bull state due to weak monsoon data. However, consecutive days rainfall in these regions change the sentiments to bearish for shorter period.

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