

Domestic Market Recap:

- Guar seed and gum prices declined last week owing to monsoon arrived in some parts of Rajasthan and Gujarat.
- Prices are likely to take some break from here and should take Rs 300 upside recovery from here as per our estimation.
- Farmers are thinking not to divert their crop sowing pattern from guar to other crop in Alwar region. Normally, farmers plant wheat after guar in Alwar but delay in rainfall this year unable farmers to plant 180 days guar crop.
- Farmers have around 27% guar seed holding in Rajasthan state as reported.
- 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.

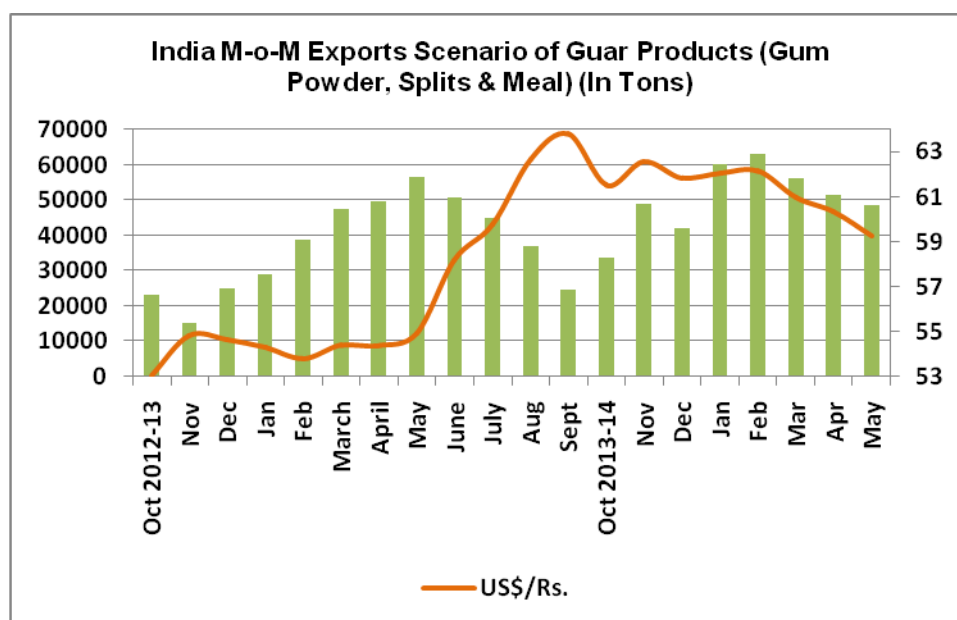
Export and Import Scenario

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.

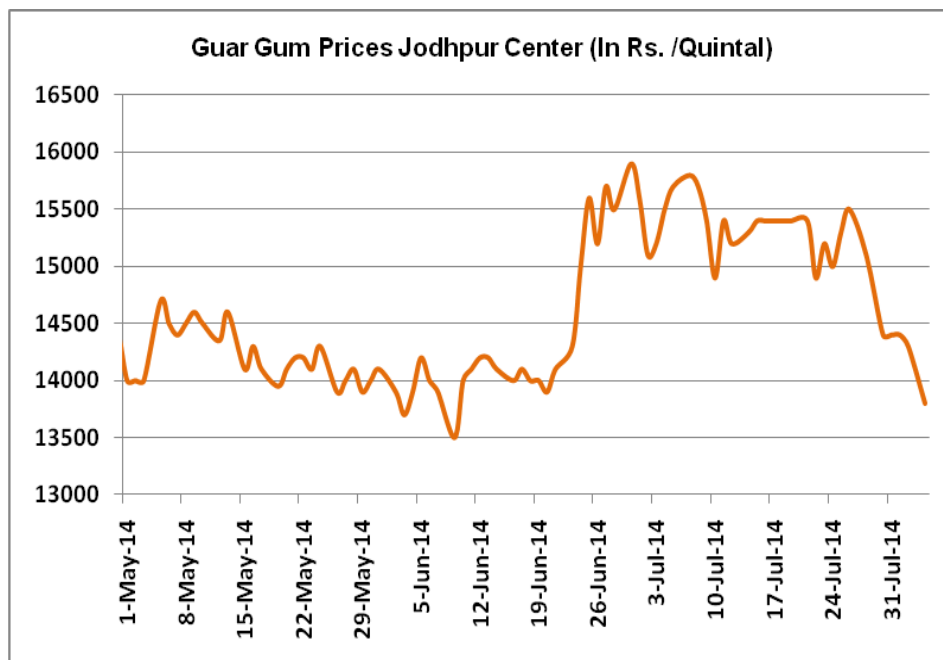
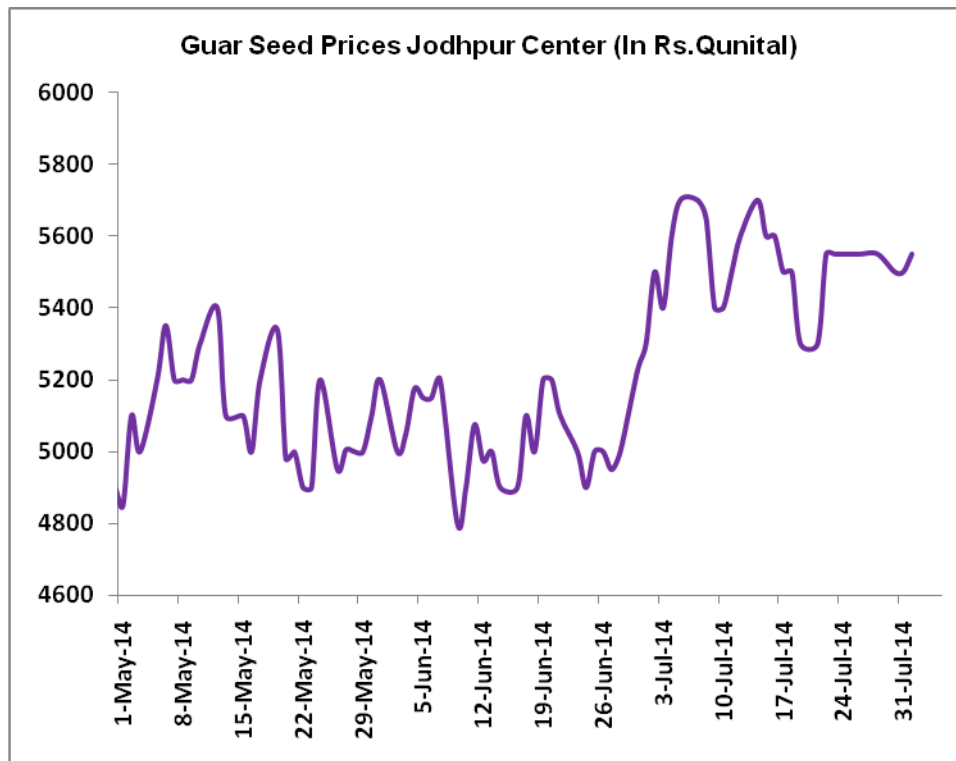
Demand Side of Guar and Guar Gum:

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.

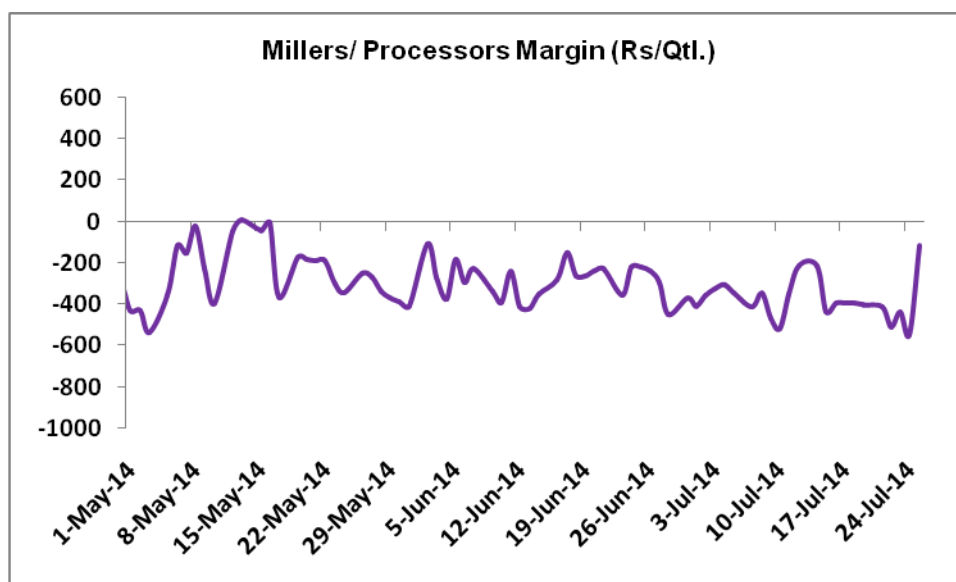


Price Scenario

In the fourth week of July, the average price of guar seed declined by 3%% to Rs.5290/Qtl compared to prior week. However, guar gum prices declined last week by 2.9% 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.

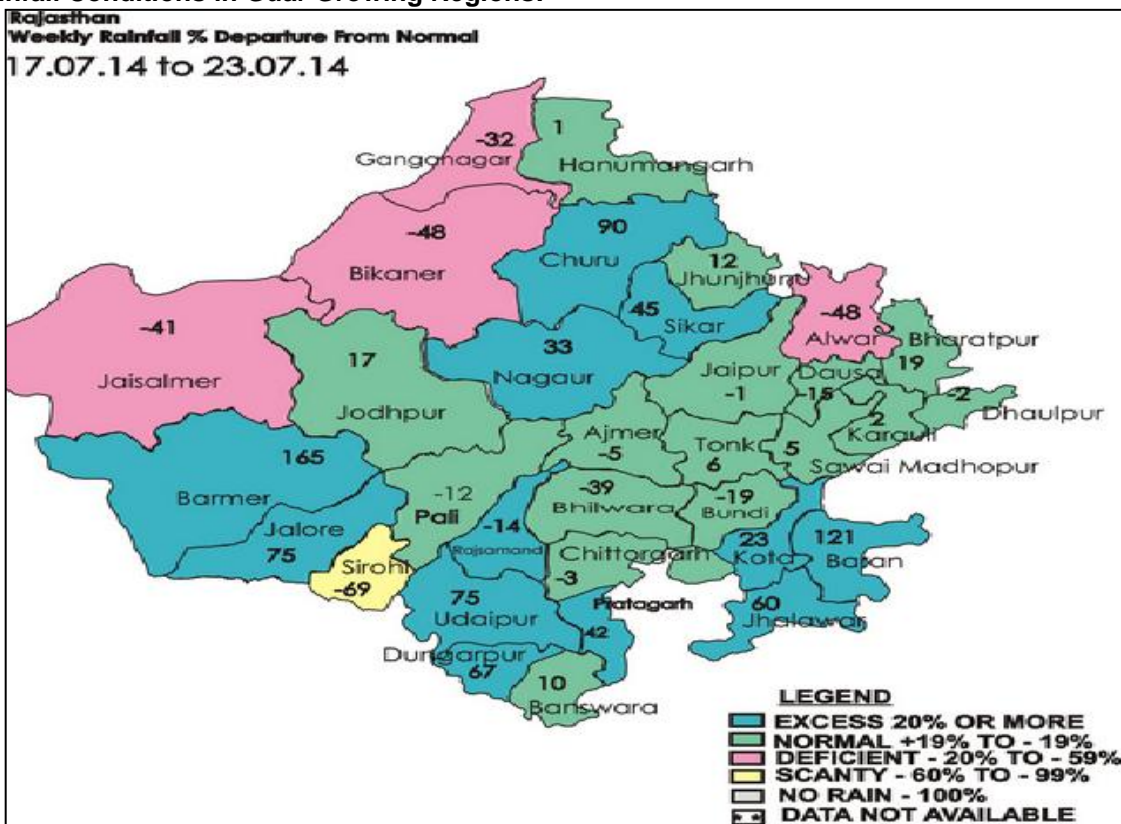


Millers/Processors Margin



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	26th Jul To 1st Aug	19th To 25th July 14	Change
Churi	Jodhpur	920	942	-22
Korma	Jodhpur	1255	1308	-53
Churi	Sri-Ganganagar	910	914	-4
Korma	Sri-Ganganagar	1210	1244	-34
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	26th Jul To 1st Aug	19th To 25th July 14	Change
Guargum Split		2426	2539	-113
Guargum Powder	200 Mesh 5000 CPS	2774	2827	-53
	200 Mesh 3500 CPS	2691	2755	-64
Guargum Meal	40%	260	273	-13
	50%	364	363	1
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	26th Jul To 1st Aug	19th To 25th July 14	
Rajasthan	Jodhpur (Loose)	5000	5238	-238
	Jodhpur(Delivery)	5290	5438	-148
	Sri-Ganganagar(Loose)	5106	5262	-156
	Sri-Ganganagar (Delivery)	5325	5404	-79
	Nagaur (Loose)	4867	5300	-433
	Alwar (loose)	4688	4750	-63
	Churu (Delivery)	5083	5150	-67
	Bikaner (Loose)	5020	5220	-200
	Bikaner (Delivery)	5160	5400	-240
	Khajuwala Bikaner (Loose)	4953	5210	-258
	Khajuwala Bikaner(Delivery)	5151	5418	-268
	Nokha(Loose)	5000	5160	-160
	Nokha (Delivery)	5180	5346	-166

	Hanumangarh (Loose)	5050	5208	-158
	Hanumangarh (Delivery)	5215	5408	-193
Haryana	Adampur (Loose)	5110	5283	-173
	Adampur (Delivery)	5300	5475	-175
	Sirsa (Loose)	5150	5110	40
	Bhiwani (Delivery)	5220	5367	-147
	Dhabwali (Loose)	5080	5265	-185
	Dhabwali (Delivery)	5240	5440	-200
	Siwani (Loose)	5155	5321	-166
	Ellanabad (Loose)	5134	5333	-199
Gujarat	Deesa (Loose)	4896	5162	-266
	Patan (Loose)	5089	5438	-349
	Rajkot (Loose)	4957	5103	-146
Madhya pradesh	Dabra (Loose)	4750	4800	-50
Guar Gum				
Rajasthan	Jodhpur	14760	15100	-340
	Alwar	14500	15383	-883
Haryana	Sirsa	NA	14140	-
	Bhiwani	14830	15075	-245
	Dhabwali	14710	15000	-290
	Ellanabad	14940	15083	-143

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	1-Aug-14	25-Jul-14	1-Jul-14	1-Jul-13
Rajasthan	Jodhpur (Loose)	4800	5000	5450	6700
	Jodhpur(Delivery)	5100	5200	5650	7100
	Sri-Ganganagar(Loose)	4850	5200	5300	6600
	Sri-Ganganagar (Delivery)	5100	5400	5500	7000
	Nagaur (Loose)	4900	Closed	5200	6600
	Alwar (loose)	4650	4600	-	6400
	Churu (Delivery)	-	5000	-	6900
	Bikaner (Loose)	4900	5300	5300	6800
	Bikaner (Delivery)	5100	5500	5500	7100
	Khajuwala Bikaner (Loose)	4860	5200	5325	6850
	Khajuwala Bikane(Delivery)	5054	5408	5538	7124
	Nokha(Loose)	4850	5200	5300	6750
	Nokha (Delivery)	5025	5387	5491	6986
	Hanumangarh (Loose)	4950	5200	5225	6800
	Hanumangarh (Delivery)	5075	5400	5420	7000
Haryana	Adampur (Loose)	5000	5300	5450	7000

	Adampur (Delivery)	5200	5500	5650	7300
	Sirsa (Loose)	5000	5100	NA	6800
	Bhiwani (Delivery)	5100	5300	5450	7000
	Dhabwali (Loose)	4900	5300	5200	6625
	Dhabwali (Delivery)	5100	5400	5400	6900
	Siwani (Loose)	5100	5350	5500	Closed
	Ellanabad (Loose)	5045	5400	5500	6500
Gujarat	Deesa (Loose)	4750	5090	5500	6735
	Patan (Loose)	4820	5350	5475	6400
	Rajkot (Loose)	4765	5150	5400	6700
Madhya pradesh	Dabra (Loose)	4800	NA	4500	7100
Guar Gum					
Rajasthan	Jodhpur	14400	15300	15600	20100
	Alwar	14200	15000	-	20500
Haryana	Sirsa	-	14000	NA	20000
	Bhiwani	14500	15100	15550	20300
	Dhabwali	14300	14800	15600	19200
	Ellanabad	15600	15000	15800	20100

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		26th Jul To 1st Aug	19th To 25th July 14	
Rajasthan	Jodhpur	950	600	350
	Sri-Ganganagar	3600	5400	-1800
	Nagaur	450	250	200
	Alwar	1600	1400	200
	Churu	2000	2400	-400
	Bikaner	1000	1750	-750
	Khajuwala Bikaner	1700	2600	-900
	Nokha	2300	3200	-900
	Hanumangarh	850	1450	-600
Haryana	Adampur	8500	12000	-3500
	Sirsa	2300	10000	-7700
	Bhiwani	8000	16000	-8000
	Dhabwali	525	1000	-475
	Siwani	10000	10000	Unch
	Ellanabad	2400	3500	-1100
Gujarat	Deesa	900	1525	-625
	Patan (Loose)	793	1429	-636
	Rajkot	2937	2683	254
Madhya pradesh	Dabra	725	1200	-475



Total Arrival	51530	78387	-26857
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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 bullishness in the market.

Strategy: Buy from support level

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Aug	-	4500	5010	5370	5500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	Buy	Above 4900	5200	5350	4720



Commodity: Guar Gum
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2014

Guar Gum (Aug Weekly Chart)



Technical Commentary:

- Guar prices are trying to show reversal trend as chart depicts.
- However, RSI is hovering at neutral region.
- Profit booking comes at lower levels.
- Last candlestick depicts bullishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Aug	12130	12820	15530	15070	15420
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Aug	Buy	Above 13900	14500	14800	13600

Spot Market Technical Analysis of Guar seed & Guar gum

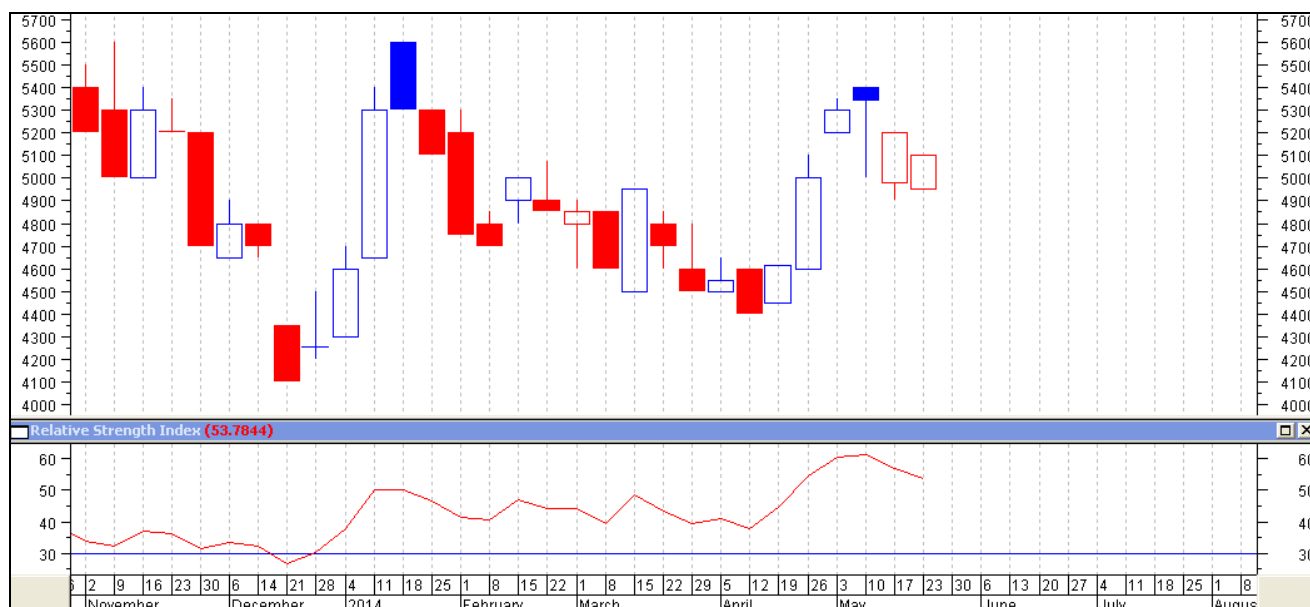


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

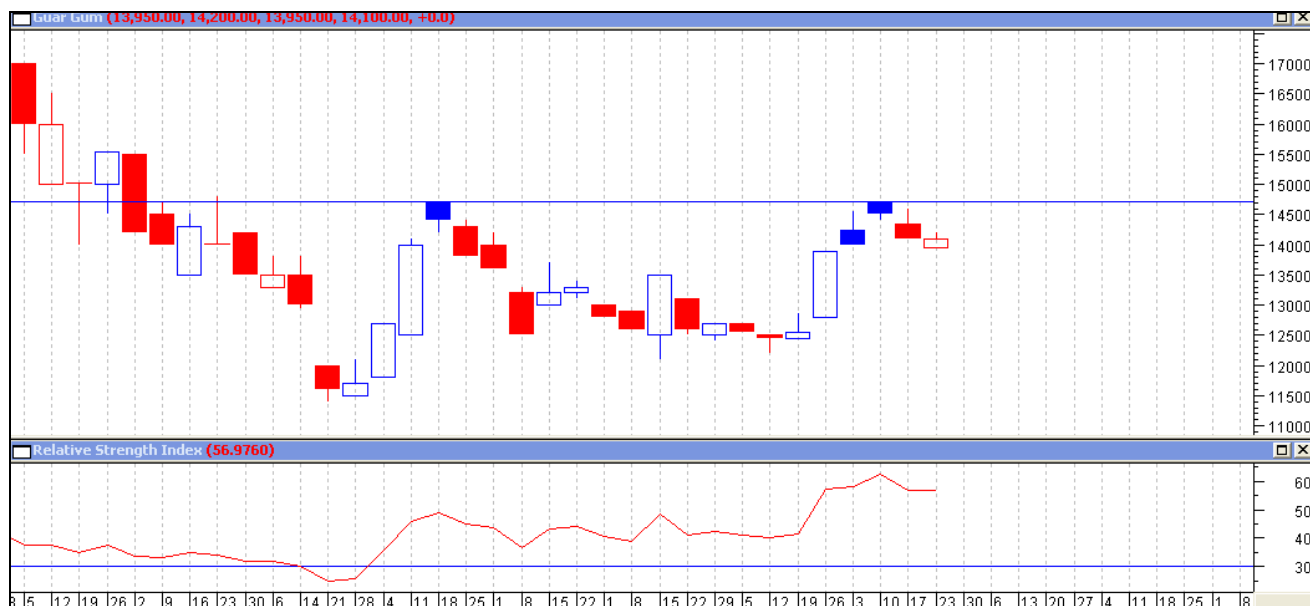


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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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