

Domestic Market Recap:

- Guar seed and gum prices declined sharply last week. Good monsoon rainfall in rainfed areas of Rajasthan and Gujarat improve the sowing figures estimations which ultimately pressurize the prices.
- Guar sowing area declined to 3.31 lac hectares till 4th Aug 2014 from 4.25 lac hectares compared to last year same period.
- India has exported 55463 tons in July month which is lower compared to 60634 tons exported in June 2014.
- Sowing is yet to start for guar seed in Patan and Kutch district as reported. Lesser rainfall restrict farmers to plant guar seed in their respective fields.
- Prices are likely to take some break from here and should take Rs 300 upside recovery from here as per our estimation.
- Farmers have around 27% guar seed holding in Rajasthan state as reported.

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.

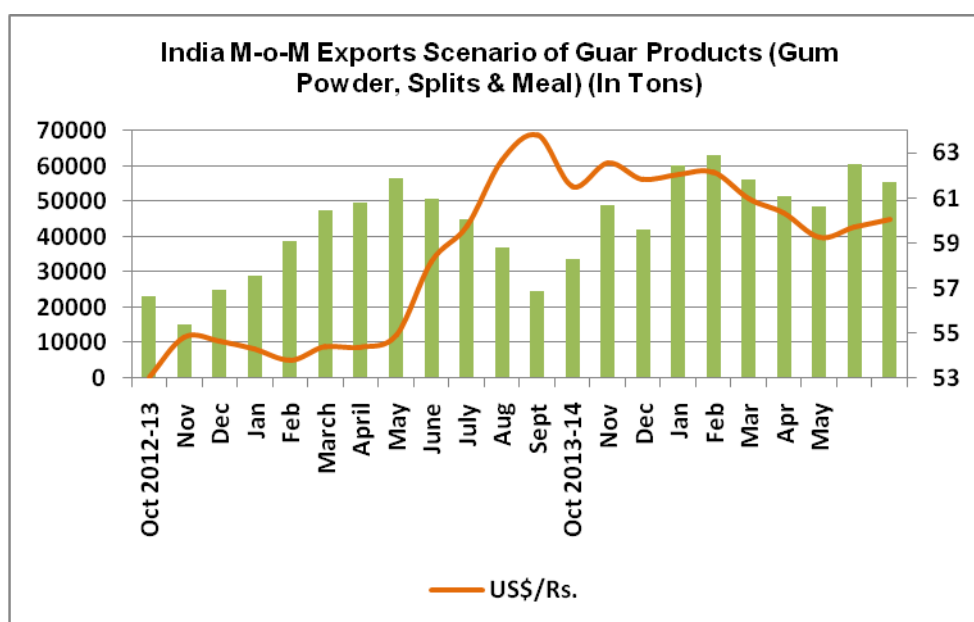
Export and Import Scenario

India has exported 55463 tons in July month which is lower compared to 60634 tons exported in June 2014.

Out of total guar products exported, around 13780 tons of guar meal, 4838 tons of guar splits and 36843 tons of guar gum powder exported to other countries.

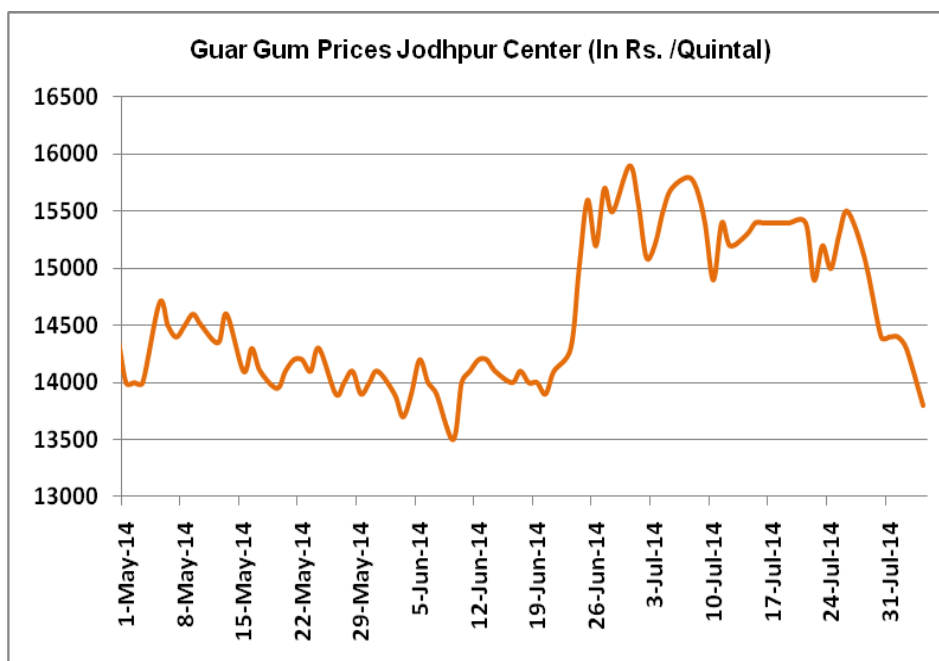
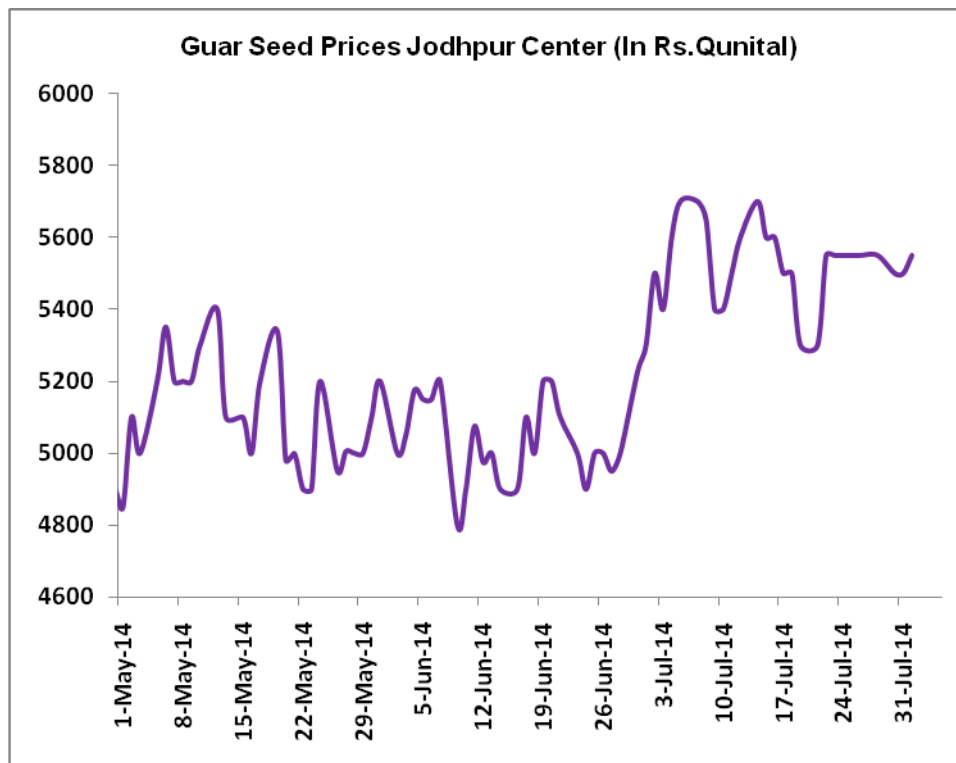
Demand Side of Guar and Guar Gum:

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.

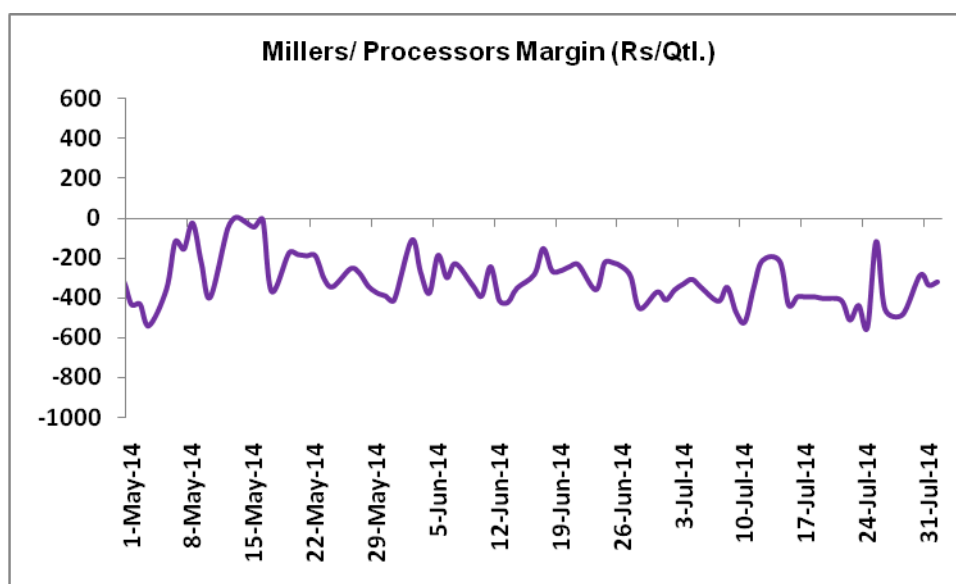


Price Scenario

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.

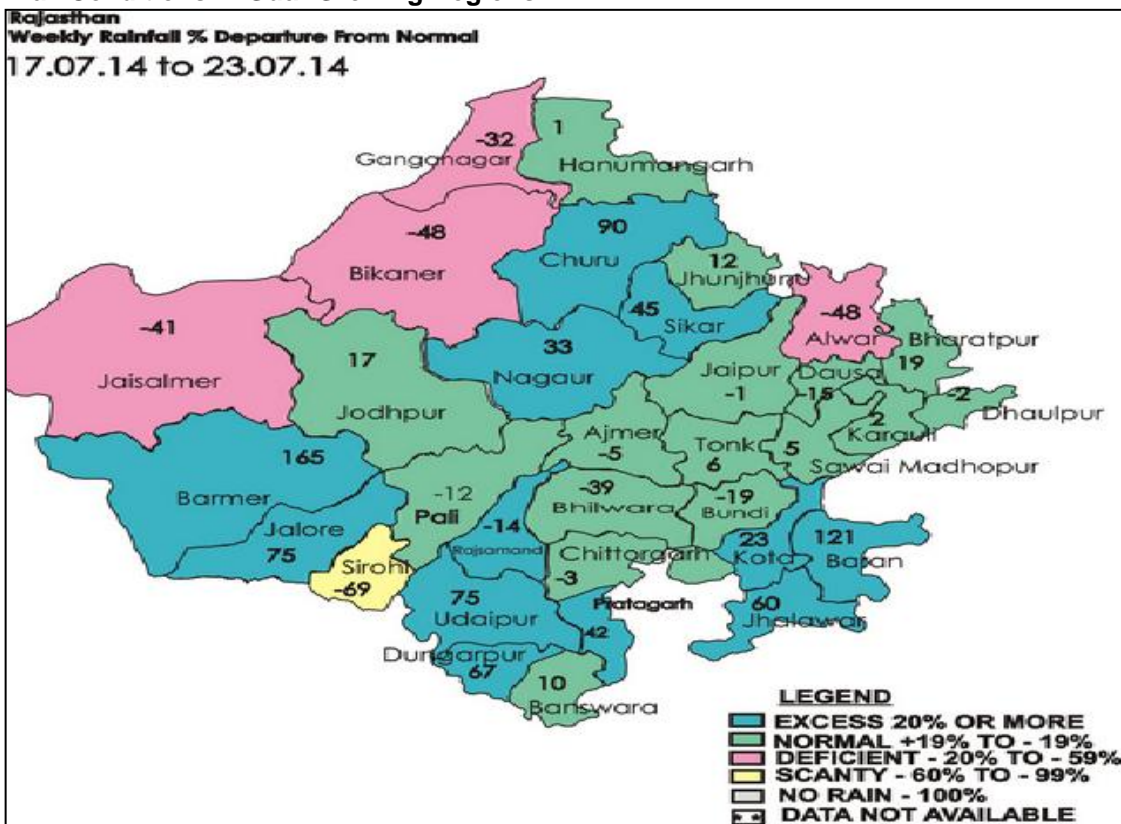


Millers/Processors Margin



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	2nd To 8th Aug 14	26thJuly To 1st Aug 14	Change
Churi	Jodhpur	900	920	-20
Korma	Jodhpur	1225	1255	-30
Churi	Sri-Ganganagar	879	910	-31
Korma	Sri-Ganganagar	1192	1210	-18
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	2nd To 8th Aug 14	26thJuly To 1st Aug 14	Change
Guargum Split		2349	2426	-77
Guargum Powder	200 Mesh 5000 CPS	2689	2774	-85
	200 Mesh 3500 CPS	2657	2691	-34
Guargum Meal	40%	257	260	-3
	50%	360	364	-4
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	2nd To 8th Aug 14	26thJuly To 1st Aug 14	
Rajasthan	Jodhpur (Loose)	5038	5000	38
	Jodhpur(Delivery)	5221	5290	-69
	Sri-Ganganagar(Loose)	4858	5106	-248
	Sri-Ganganagar (Delivery)	5125	5325	-200
	Nagaur (Loose)	4880	4867	13
	Alwar (loose)	4583	4688	-104
	Churu (Delivery)	4950	5083	-133
	Bikaner (Loose)	4900	5020	-120
	Bikaner (Delivery)	5075	5160	-85
	Khajuwala Bikaner (Loose)	4850	4953	-103
	Khajuwala Bikane(Delivery)	5044	5151	-107
	Nokha(Loose)	4808	5000	-192
	Nokha (Delivery)	4981	5180	-199
	Hanumangarh (Loose)	4925	5050	-125
	Hanumangarh (Delivery)	5092	5215	-123
Haryana	Adampur (Loose)	4992	5110	-118
	Adampur (Delivery)	5183	5300	-117
	Sirsa (Loose)	4970	5150	-180

	Bhiwani (Delivery)	5067	5220	-153
	Dhabwali (Loose)	4838	5080	-243
	Dhabwali (Delivery)	5029	5240	-211
	Siwani (Loose)	5042	5155	-113
	Ellanabad (Loose)	5000	5134	-134
Gujarat	Deesa (Loose)	4690	4896	-206
	Patan (Loose)	4743	5089	-346
	Rajkot (Loose)	4803	4957	-154
Madhya pradesh	Dabra (Loose)	4625	4750	-125
Guar Gum				
Rajasthan	Jodhpur	14250	14760	-510
	Alwar	14367	14500	-133
Haryana	Sirsa	14380	NR	-
	Bhiwani	14192	14830	-638
	Dhabwali	14308	14710	-402
	Ellanabad	14720	14940	-220

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	8-Aug-14	1-Aug-14	8-Jul-14	8-Aug-13
Rajasthan	Jodhpur (Loose)	4900	4800	5300	5000
	Jodhpur(Delivery)	5200	5100	5600	5300
	Sri-Ganganagar(Loose)	4900	4850	5400	5000
	Sri-Ganganagar (Delivery)	5150	5100	5550	5200
	Nagaur (Loose)	4900	4900	5300	4600
	Alwar (loose)	4700	4650	5100	4500
	Churu (Delivery)	4900	NR	5400	4800
	Bikaner (Loose)	4900	4900	5400	5300
	Bikaner (Delivery)	5050	5100	5550	5500
	Khajuwala Bikaner (Loose)	4950	4860	5450	5050
	Khajuwala Bikaner(Delivery)	5148	5054	5668	5252
	Nokha(Loose)	4850	4850	5300	5000
	Nokha (Delivery)	5025	5025	5491	5150
	Hanumangarh (Loose)	5000	4950	NA	5200
	Hanumangarh (Delivery)	5150	5075	NA	5300
Haryana	Adampur (Loose)	5050	5000	5400	5400
	Adampur (Delivery)	5250	5200	5600	5600
	Sirsa (Loose)	4900	5000	NR	4800
	Bhiwani (Delivery)	5100	5100	5450	5300
	Dhabwali (Loose)	4800	4900	5400	NR
	Dhabwali (Delivery)	5000	5100	5600	NR
	Siwani (Loose)	5075	5100	5450	NR
	Ellanabad (Loose)	5000	5045	5400	NR
Gujarat	Deesa (Loose)	4705	4750	5425	5000

	Patan (Loose)	4775	4820	5155	4890
	Rajkot (Loose)	4825	4765	5355	5005
Madhya pradesh	Dabra (Loose)	4500	4800	4200	5000
Guar Gum					
Rajasthan	Jodhpur	14200	14400	15700	12100
	Alwar	14200	14200	15500	13800
Haryana	Sirsa	14500	NR	NR	14000
	Bhiwani	14400	14500	15650	15200
	Dhabwali	14300	14300	15400	NR
	Ellanabad	14500	15600	15500	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		2nd To 8th Aug 14	26thJuly To 1st Aug 14	
Rajasthan	Jodhpur	1900	950	950
	Sri-Ganganagar	5800	3600	2200
	Nagaur	950	450	500
	Alwar	1700	1600	100
	Churu	1800	2000	-200
	Bikaner	1400	1000	400
	Khajuwala Bikaner	1900	1700	200
	Nokha	2400	2300	100
	Hanumangarh	1450	850	600
Haryana	Adampur	4400	8500	-4100
	Sirsa	2950	2300	650
	Bhiwani	3800	8000	-4200
	Dhabwali	790	525	265
	Siwani	9000	10000	-1000
	Ellanabad	2200	2400	-200
Gujarat	Deesa	383	900	-517
	Patan (Loose)	403	793	-390
	Rajkot	6090	2937	3153
Madhya pradesh	Dabra	400	725	-325
Total Arrival		49716	51530	-1814

Commodity: Guar Seed 10MT
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2014

Guar Seed 10MT (Weekly Oct Contract Chart)



Technical Commentary:

- Guar prices are showing upward correction on the charts.
- RSI is moving towards neutral region.
- Last candlestick depicts bullishness in the market.

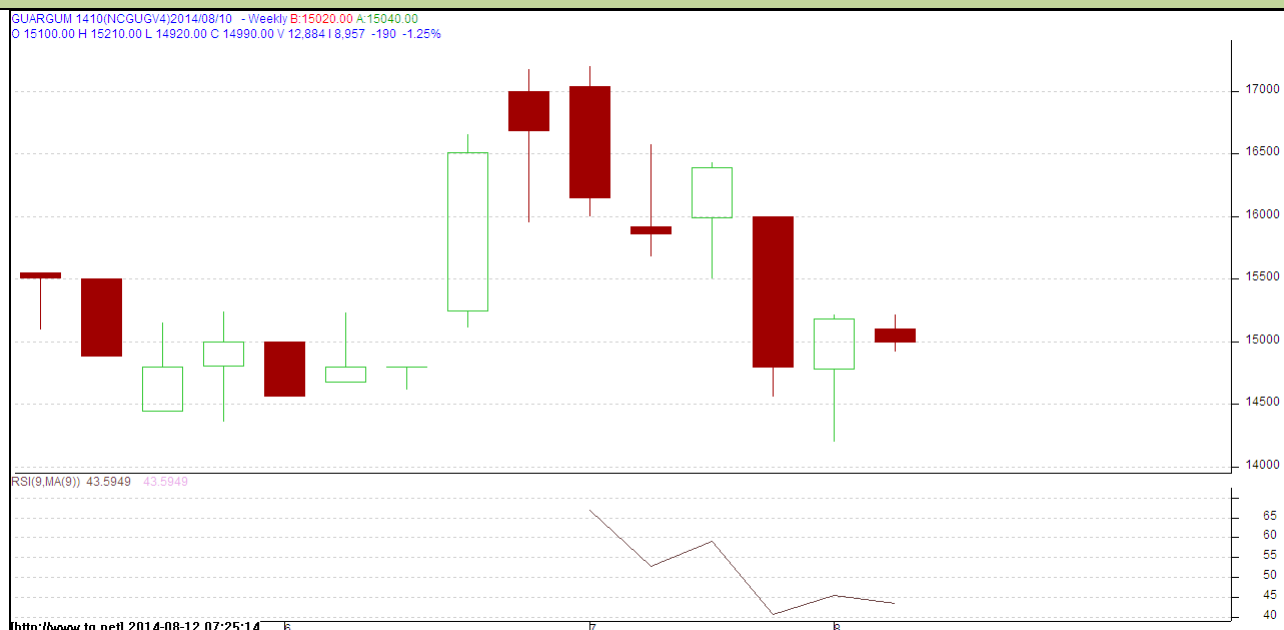
Strategy: Buy from support level

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	4933	5054	5333	5500	5657
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 5180	5380	5480	5060

Commodity: Guar Gum
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2014

Guar Gum (Oct Weekly Chart)



Technical Commentary:

- Guar prices are showing some correction after sharp downfall in the prices.
- However, RSI is hovering at neutral region.
- Last candlestick depicts bullishness.

Strategy: Buy at support levels.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	14200	14416	15180	15700	16050
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 14600	15100	15350	14300

Spot Market Technical Analysis of Guar seed & Guar gum

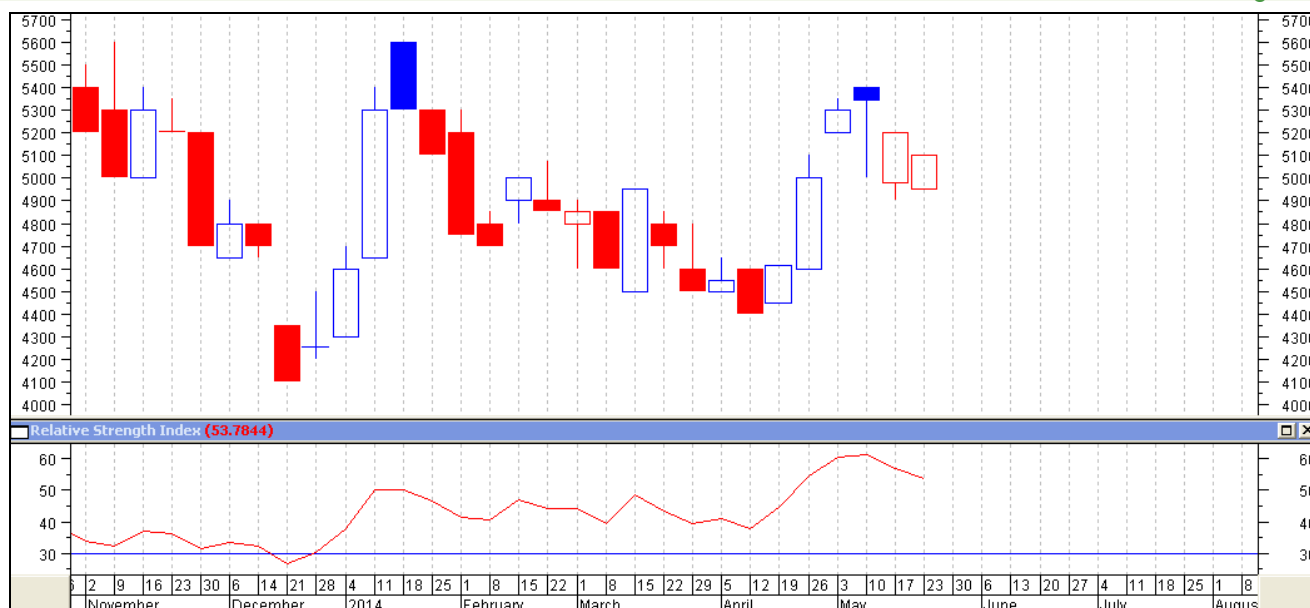


Fig-1 – Guar Seed Weekly Spot Prices (Jodhpur)

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.

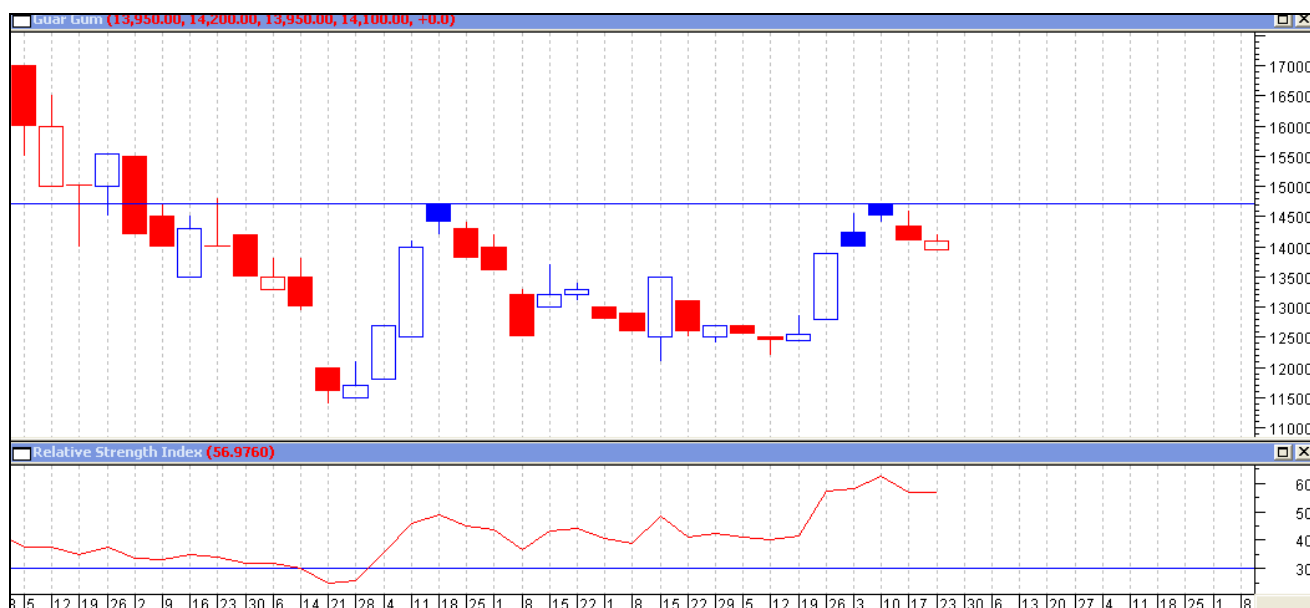


Fig-2 – Guar Gum Weekly Spot Prices (Jodhpur)

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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