

**Domestic Market Recap:**

- Guar seed and gum prices surged up sharply last week due to good spot demand at lower levels. In addition to it, lower guar acreage in Rajasthan, Haryana and Gujarat and lower carry over stock led the prices upwards.
- Guar seed prices are likely to be in a bullish mode till expiry due to lower dematted guar stock in NCDEX warehouses as expected.
- India has exported around 11463 tons of guar products (Gum powder, splits and meal) in the first week of August. Out of total 11463 tons, 8304 tons guar gum, 740 tons of guar splits and 2419 tons of guar meal exported till 8<sup>th</sup> August 2014.
- Guar sowing area declined to 3.31 lac hectares till 4<sup>th</sup> 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.

**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.

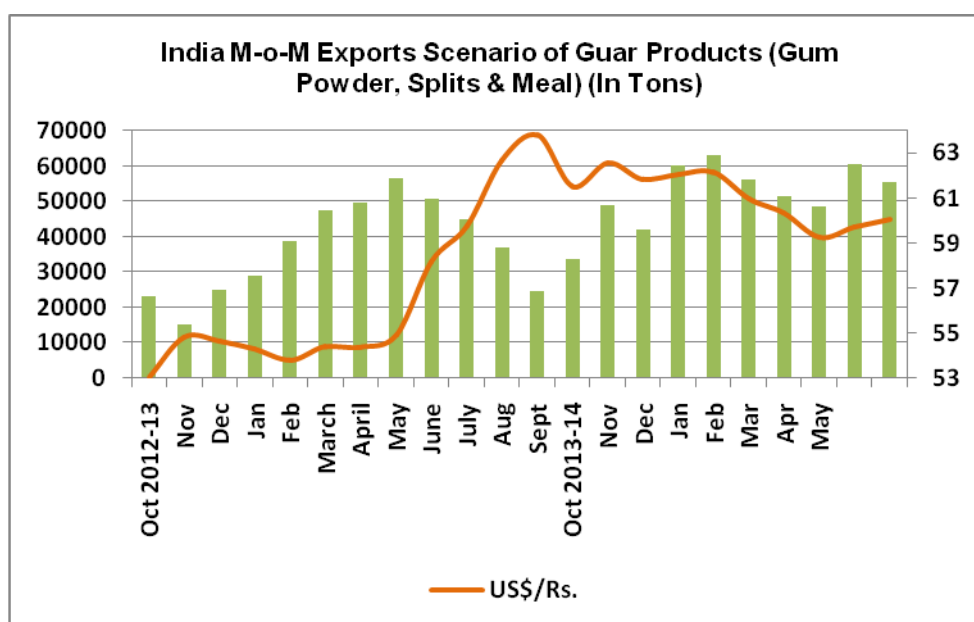
### Export and Import Scenario

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.

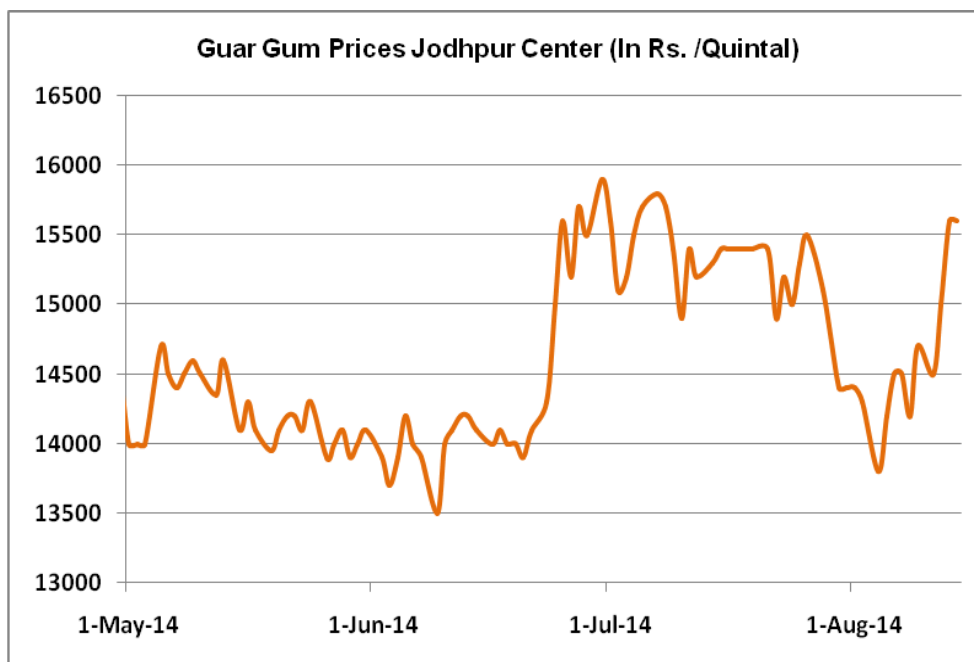
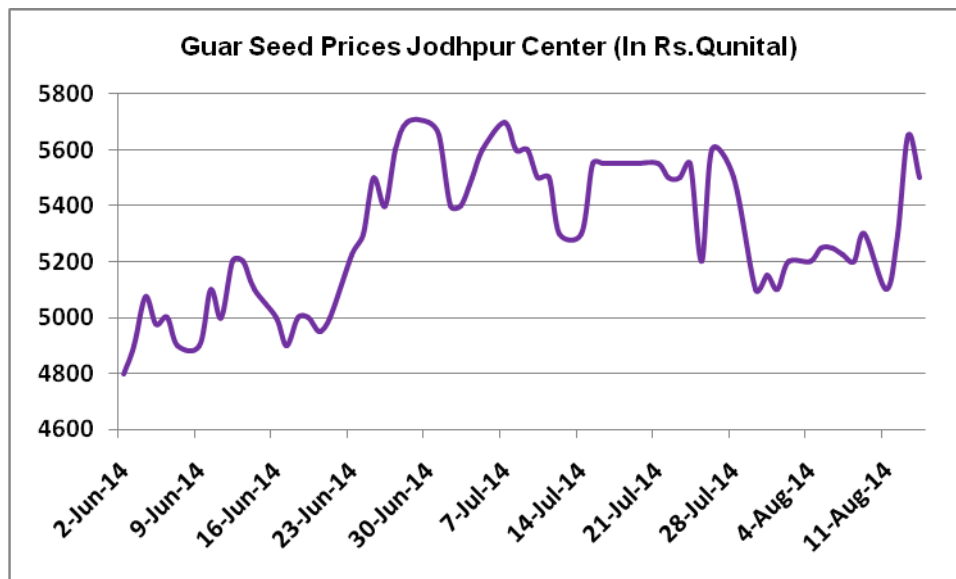
### Demand Side of Guar and Guar Gum:

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.

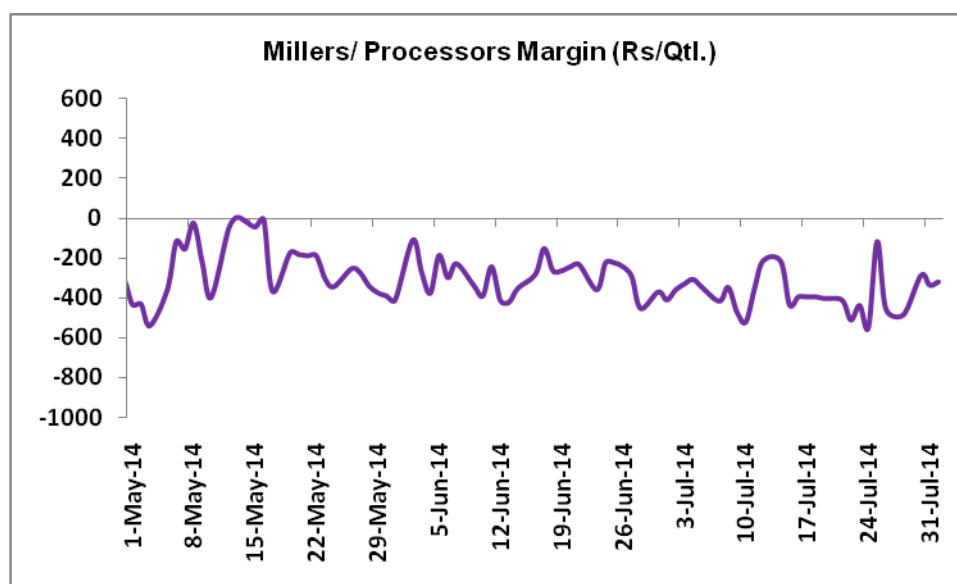


### Price Scenario

In the second week of Aug, the average price of guar seed improved by 3%% to Rs.5370/Qtl compared to prior week. Also, guar gum prices improved last week by 6% to Rs.15080/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

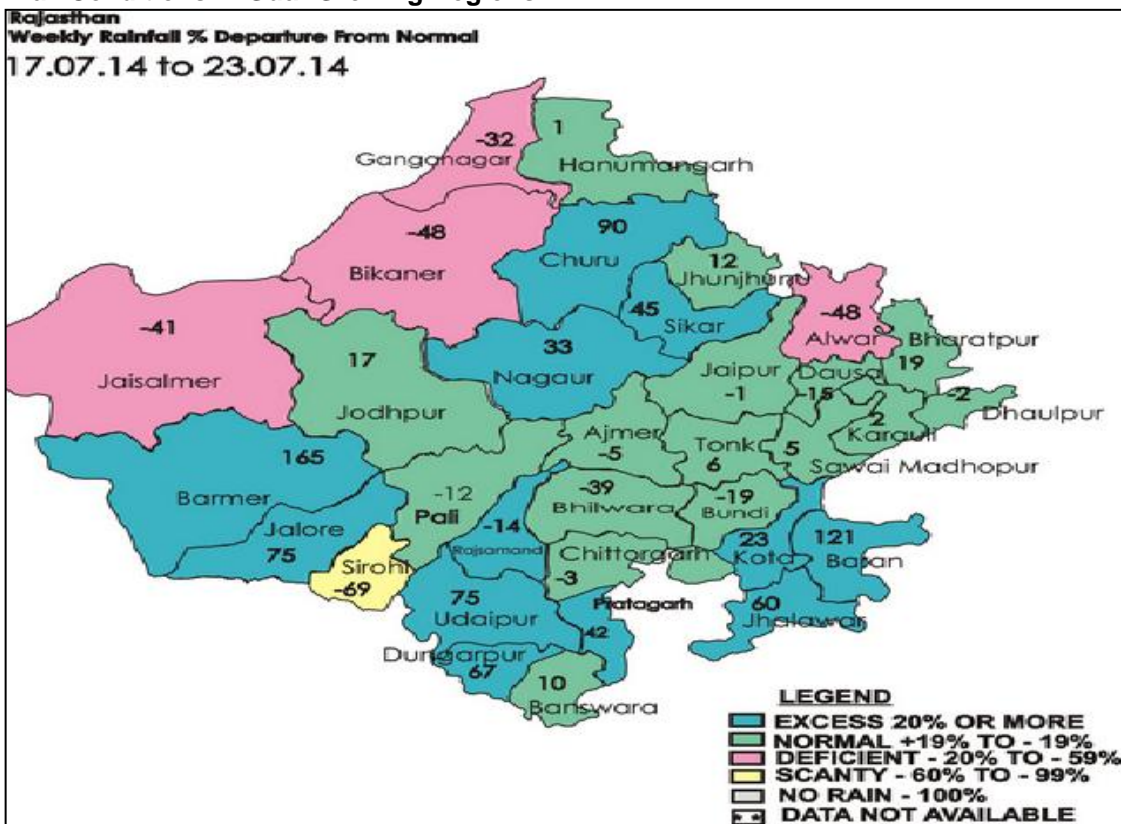


## Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed declined compared to previous week. In the second week of Aug 2014, average crush margin stood at Rs. -375/Quintal which was -474 per quintal last week. Higher degree of increase in guar gum average prices compared to guar seed prices and increase in Churi and Korma prices led the margin up 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. However, there is no rainfall witnessed in some irrigated areas of guar like Ganganagar, Jaisalmer and Bikaner 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 guar germination will start drying up as expected.

Notably, most of the guar sowing completed in Rajasthan and crop needs one more rain with in 10 days for further growth.

#### Guar by – Products Weekly Average Prices:

Commodity	Centre	9th To 14th Aug 14	2nd To 8th Aug 14	Change
Churi	Jodhpur	854	900	-46
Korma	Jodhpur	1270	1225	45
Churi	Sri-Ganganagar	905	879	26
Korma	Sri-Ganganagar	1200	1192	8
Prices in Rs/75kg				

#### Guar Export Weekly Average Prices:

Commodity	Variety	9th To 14th Aug 14	2nd To 8th Aug 14	Change
Guargum Split		2505	2349	156
Guargum Powder	200 Mesh 5000 CPS	2833	2689	144
	200 Mesh 3500 CPS	2751	2657	94
Guargum Meal	40%	248	257	-9
	50%	352	360	-8
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	9th To 14th Aug 14	2nd To 8th Aug 14	
Rajasthan	Jodhpur (Loose)	5160	5038	122
	Jodhpur(Delivery)	5370	5221	149
	Sri-Ganganagar(Loose)	5150	4858	292
	Sri-Ganganagar (Delivery)	5378	5125	253
	Nagaur (Loose)	5020	4880	140
	Alwar (loose)	4930	4583	347
	Churu (Delivery)	4950	4950	Unch
	Bikaner (Loose)	5180	4900	280
	Bikaner (Delivery)	5330	5075	255

	Khajuwala Bikaner (Loose)	5170	4850	320
	Khajuwala Bikaner(Delivery)	5377	5044	333
	Nokha(Loose)	5110	4808	302
	Nokha (Delivery)	5294	4981	313
	Hanumangarh (Loose)	5244	4925	319
	Hanumangarh (Delivery)	5405	5092	313
Haryana	Adampur (Loose)	5180	4992	188
	Adampur (Delivery)	5380	5183	197
	Sirsa (Loose)	5222	4970	252
	Bhiwani (Delivery)	5325	5067	258
	Dhabwali (Loose)	5175	4838	337
	Dhabwali (Delivery)	5350	5029	321
	Siwani (Loose)	5245	5042	203
	Ellanabad (Loose)	5213	5000	213
Gujarat	Deesa (Loose)	4971	4690	281
	Patan (Loose)	4898	4743	155
	Rajkot (Loose)	5037	4803	234
Madhya pradesh	Dabra (Loose)	4575	4625	-50
Guar Gum				
Rajasthan	Jodhpur	15080	14250	830
	Alwar	15020	14367	653
Haryana	Sirsa	15290	14380	910
	Bhiwani	15100	14192	908
	Dhabwali	15040	14308	732
	Ellanabad	15125	14720	405

### Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	14-Aug-14	9-Aug-14	15-Jul-14	14-Aug-13
Rajasthan	Jodhpur (Loose)	5300	NA	5200	5300
	Jodhpur(Delivery)	5500	NA	5550	5400
	Sri-Ganganagar(Loose)	5200	5200	5325	5350
	Sri-Ganganagar (Delivery)	5700	5350	5450	5400
	Nagaur (Loose)	5150	NA	NA	4700
	Alwar (loose)	5250	4800	5100	5000
	Churu (Delivery)	NA	5200	5400	5300
	Bikaner (Loose)	5350	5250	5350	5100
	Bikaner (Delivery)	5550	5450	5500	5200
	Khajuwala Bikaner (Loose)	5300	5200	5250	5200

	Khajuwala Bikane(Delivery)	5512	5408	5460	5300
	Nokha(Loose)	5350	5200	5300	5050
	Nokha (Delivery)	5543	5387	5491	5230
	Hanumangarh (Loose)	5400	5275	5300	5450
	Hanumangarh (Delivery)	5550	5475	5520	5600
Haryana	Adampur (Loose)	5350	NA	5350	5500
	Adampur (Delivery)	5550	NA	5500	5700
	Sirsa (Loose)	5400	5100	5200	4800
	Bhiwani (Delivery)	5500	5300	5400	5400
	Dhabwali (Loose)	5375	NA	5300	5000
	Dhabwali (Delivery)	5575	NA	5525	5300
	Siwani (Loose)	5400	5350	5450	NR
	Ellanabad (Loose)	5400	5300	5400	NR
Gujarat	Deesa (Loose)	5300	5855	5080	5015
	Patan (Loose)	NA	5225	5105	4955
	Rajkot (Loose)	5275	5285	5250	5225
Madhya pradesh	Dabra (Loose)	4500	4800	4300	4500
Guar Gum					
Rajasthan	Jodhpur	15600	NA	15400	14900
	Alwar	15800	15000	15200	15000
Haryana	Sirsa	15800	14000	14500	12500
	Bhiwani	15800	14850	15500	15200
	Dhabwali	15500	NA	15400	13500
	Ellanabad	15500	15200	15500	NR

## Guar Cumulative Arrivals in Key Centers

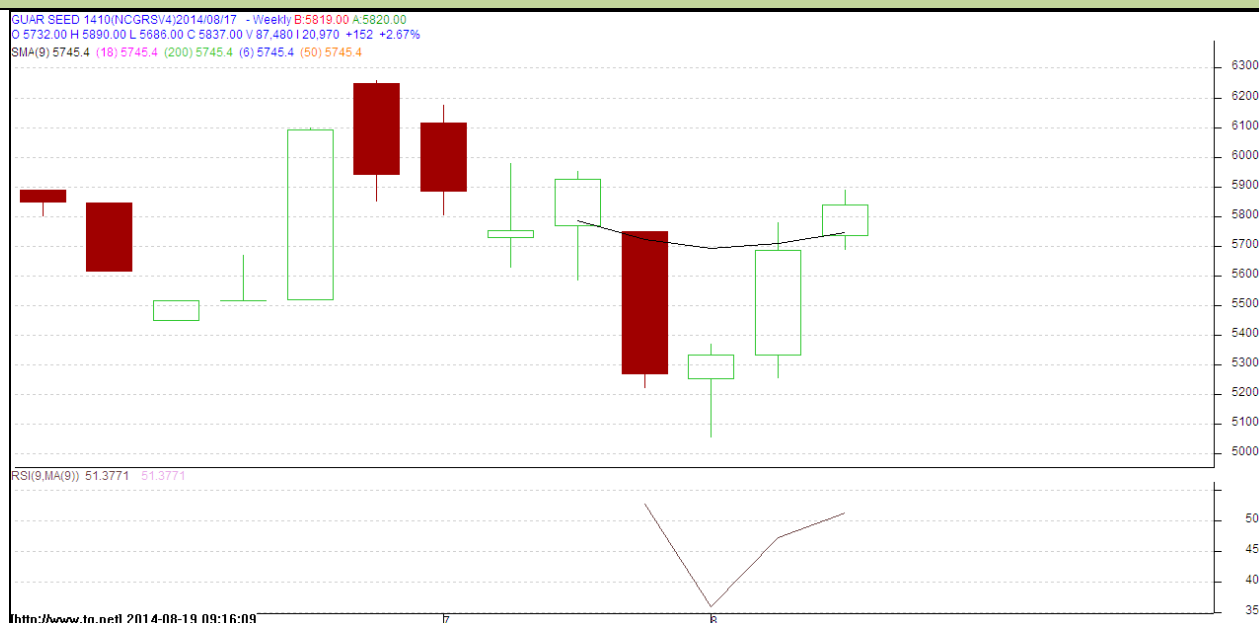
Centre	Weekly Arrivals (Quintals)			Change
		9th To 14th Aug 14	2nd To 8th Aug 14	
Rajasthan	Jodhpur	1650	1900	-250
	Sri-Ganganagar	7100	5800	1300
	Nagaur	1000	950	50
	Alwar	4200	1700	2500
	Churu	1300	1800	-500
	Bikaner	1300	1400	-100
	Khajuwala Bikaner	2300	1900	400
	Nokha	2200	2400	-200
	Hanumangarh	840	1450	-610
Haryana	Adampur	12100	4400	7700
	Sirsa	3700	2950	750

	Bhiwani	6500	3800	2700
	Dhabwali	830	790	40
	Siwani	9000	9000	Unch
	Ellanabad	2900	2200	700
Gujarat	Deesa	790	383	407
	Patan (Loose)	530	403	127
	Rajkot	7090	6090	1000
Madhya pradesh	Dabra	650	400	250
Total Arrival		65980	49716	16264

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: Sell

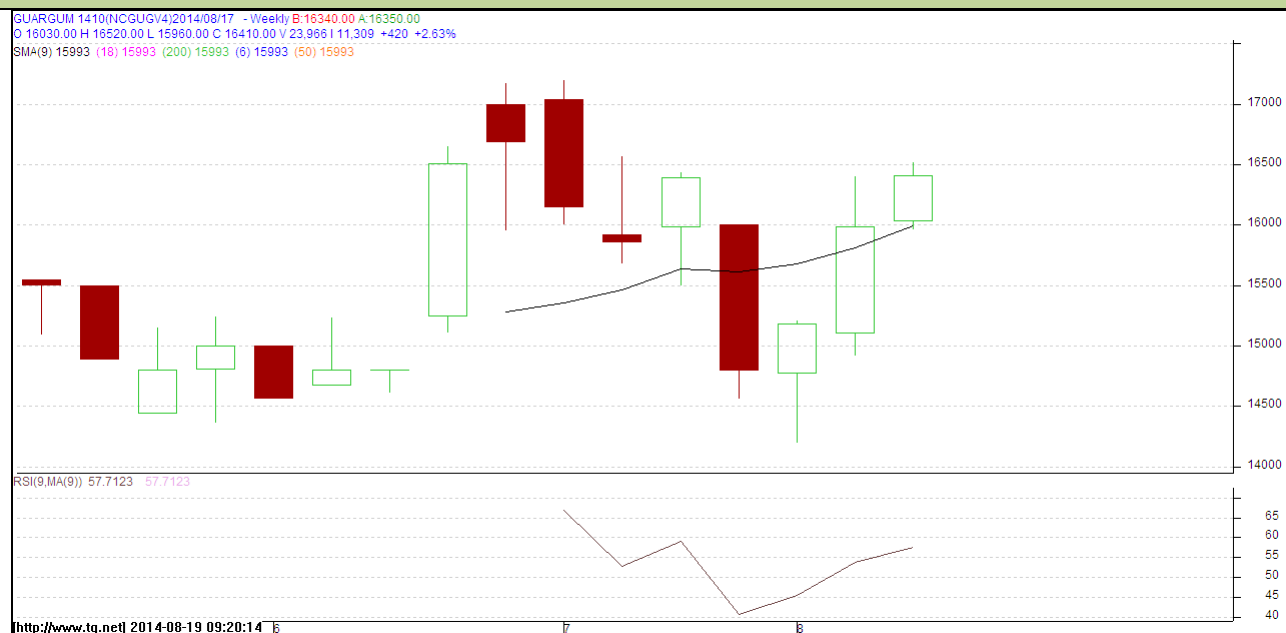
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	4933	5054	5685	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Sell	Below 5900	5600	5450	6080



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: Sell.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	14200	14416	15180	17200	18350
Weekly Trade Call``			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	<b>Sell</b>	Below 16500	15800	15500	17100

**Spot Market Outlook:**

Lower acreage in Rajasthan and Haryana and good crushing expectation for the coming marketing year led the guar prices up. In addition to it, weak rainfall in regions like Western Rajasthan and Haryana drying the standing guar crop which also give bullish hint in the long run.

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