

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.
- Markets are now estimating downside in guar prices as satellite showing rainfall in main guar growing regions in the days ahead. However, lower acreage and good spot demand at these lower levels could change the overall market sentiments in the coming month as expected.
- Meanwhile, good rainfall reported in North Gujarat region and parts of Kutch in last two days which ultimately give a life to the 1 month old guar crop.
- Height of the guar crop in Patan region of Gujarat is 0.5 feet to 1 foot as reported. Crop quality is good at present and if rain occurs in next 5 to 10 days then yield would likely to improve.
- 2000 bags stock in Himmatnagar Mandi sabarkantha region. Farmers have 15-20% stock in this region as reported. Today only 25 bags arrived in the Mandi of guar. 20-25% acreage increase in the district according to trader.
- In Gujarat, majorly farmers shifted their sowing towards Kapas from Guar, Groundnut and Castor seed.

Current Market Dynamics

Guar seed prices declined sharply over upcoming rainfall in major guar producing regions. However, still the sentiments remained bullish for guar seed for the medium to long term. Good spot demand and lower guar seed acreage compared to last year change the fundamentals altogether.

In the major Jodhpur market, arrivals were reported around 3100 bags of guar seed last week 2014 which was around 1750 bags compared to prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (21000 bags) compared to prior week i.e. 13700 bags.

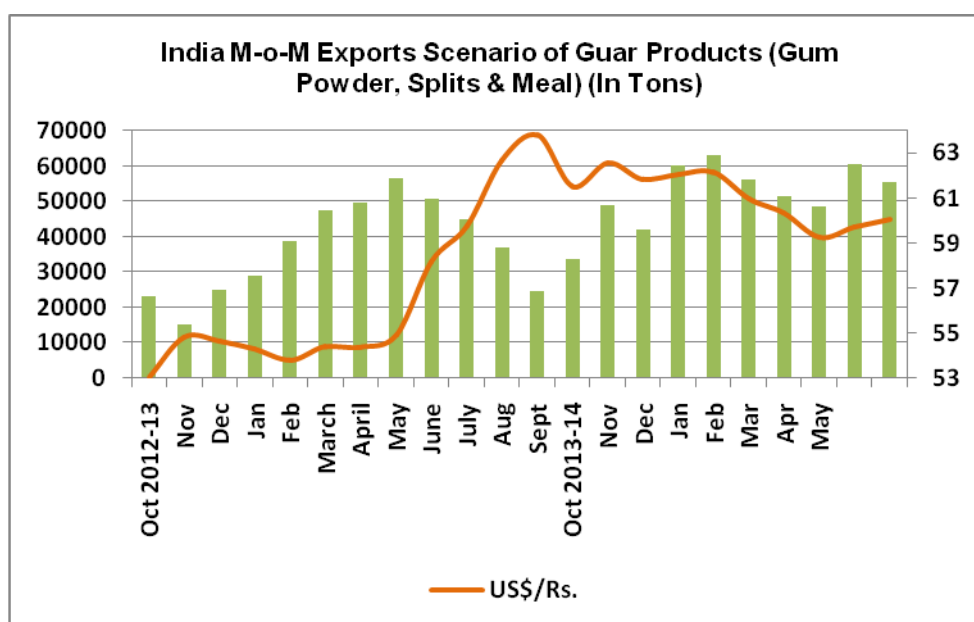
Export and Import Scenario

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.

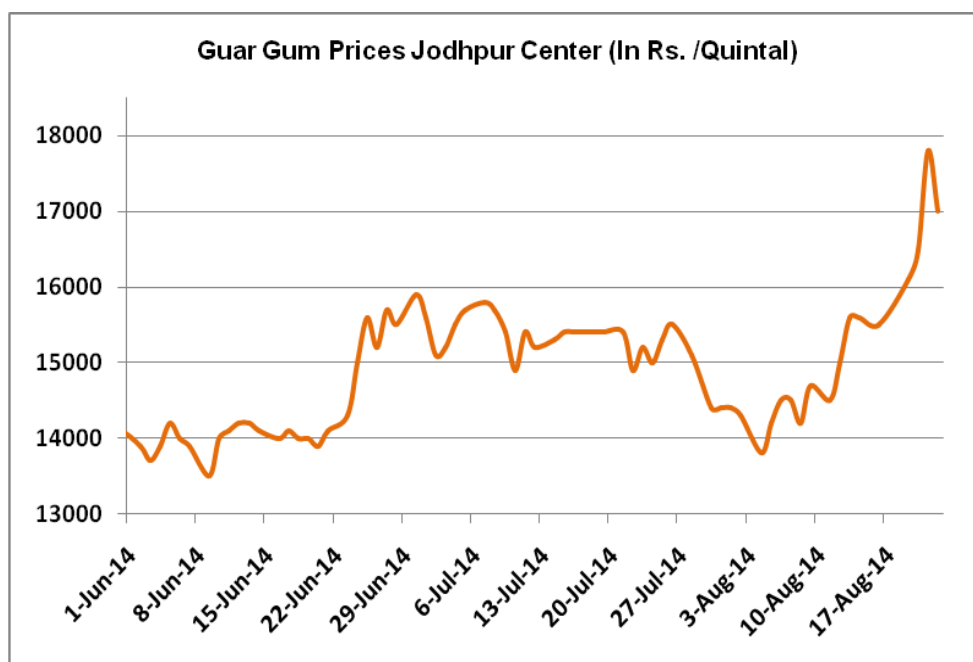
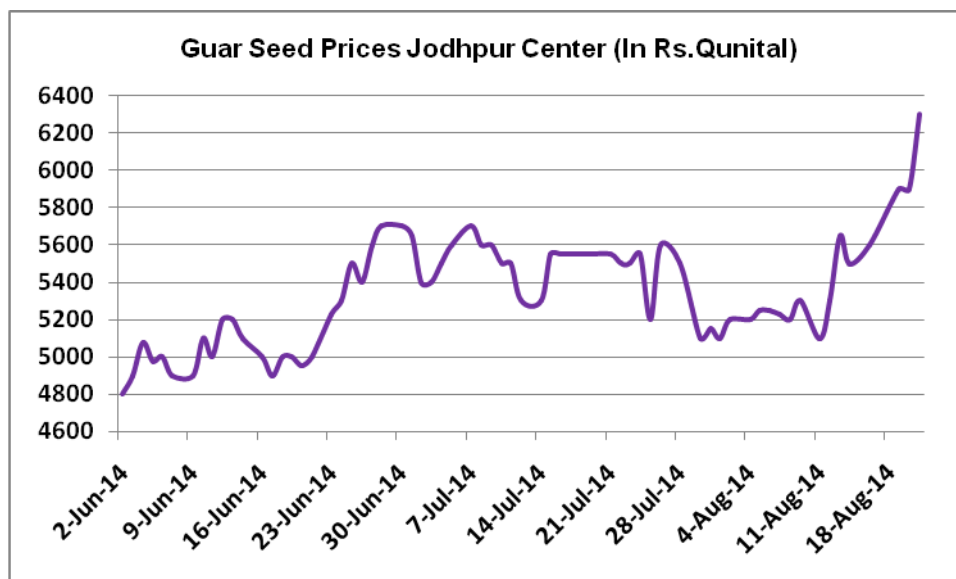
Demand Side of Guar and Guar Gum:

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.

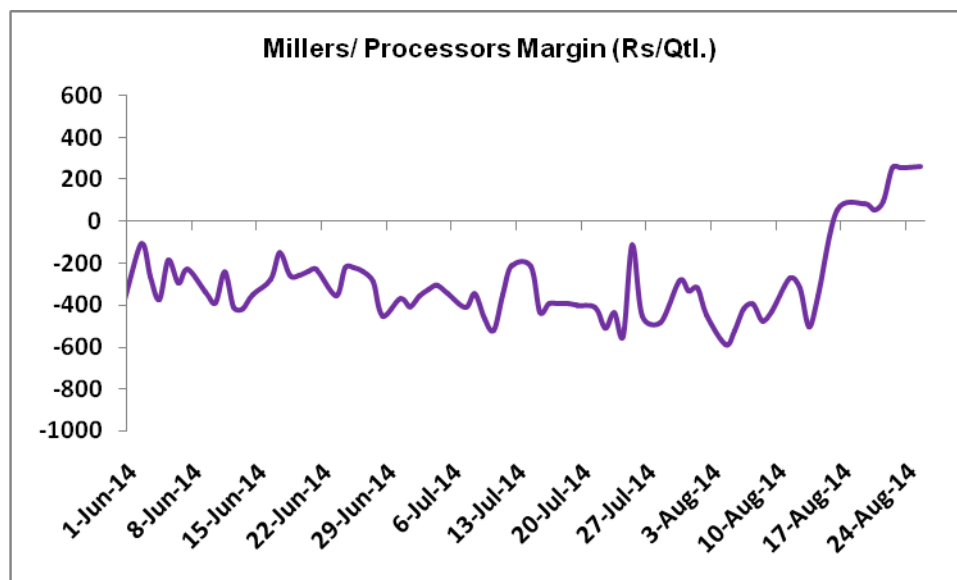


Price Scenario

In the second week of Aug, the average price of guar seed improved by 10%% to Rs.5925/Qtl compared to prior week. Also, guar gum prices improved last week by 9.9% to Rs.16580/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 improved compared to previous week. In the third week of Aug 2014, average crush margin stood at Rs. 150/Quintal which was -375 per quintal last week. Higher degree of increase in guar seed average prices compared to guar gum prices and increase in Churi and Korma prices led the margin up this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	16th To 22th Aug 14	9th To 14th Aug 14	Change
Churi	Jodhpur	990	854	136
Korma	Jodhpur	1295	1270	25
Churi	Sri-Ganganagar	920	905	15
Korma	Sri-Ganganagar	1285	1200	85
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	16th To 22th Aug 14	9th To 14th Aug 14	Change
Guargum Split		2761	2505	256
Guargum Powder	200 Mesh 5000 CPS	3090	2833	257
	200 Mesh 3500 CPS	3008	2751	257
Guargum Meal	40%	264	248	16
	50%	356	352	4
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		16th To 22th Aug 14	9th To 14th Aug 14	
Rajasthan	Jodhpur (Loose)	5620	5160	460
	Jodhpur(Delivery)	5940	5370	570
	Sri-Ganganagar(Loose)	5785	5150	635
	Sri-Ganganagar (Delivery)	5995	5378	617
	Nagaur (Loose)	5433	5020	413
	Alwar (loose)	5390	4930	460
	Churu (Delivery)	5900	4950	950
	Bikaner (Loose)	5750	5180	570
	Bikaner (Delivery)	5920	5330	590
	Khajuwala Bikaner (Loose)	5300	5170	130
	Khajuwala Bikaner(Delivery)	5512	5377	135
	Nokha(Loose)	5740	5110	630
	Nokha (Delivery)	5947	5294	653
	Hanumangarh (Loose)	5680	5244	436
	Hanumangarh (Delivery)	5900	5405	495
Haryana	Adampur (Loose)	5670	5180	490
	Adampur (Delivery)	5860	5380	480
	Sirsa (Loose)	5798	5222	576
	Bhiwani (Delivery)	5805	5325	480
	Dhabwali (Loose)	5650	5175	475
	Dhabwali (Delivery)	5875	5350	525
	Siwani (Loose)	5770	5245	525
	Ellanabad (Loose)	5702	5213	489
Gujarat	Deesa (Loose)	5778	4971	807
	Patan (Loose)	5678	4898	780
	Rajkot (Loose)	5688	5037	651
Madhya pradesh	Dabra (Loose)	4620	4575	45
Guar Gum				
Rajasthan	Jodhpur	16580	15080	1500
	Alwar	16967	15020	1947
Haryana	Sirsa	16900	15290	1610
	Bhiwani	16880	15100	1780
	Dhabwali	16610	15040	1570
	Ellanabad	16720	15125	1595

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	22-Aug-14	15-Aug-14	22-Jul-14	22-Aug-13
Rajasthan	Jodhpur (Loose)	5800	5300	5300	5500
	Jodhpur(Delivery)	6000	5500	5500	5800
	Sri-Ganganagar(Loose)	6050	5200	5240	NR
	Sri-Ganganagar (Delivery)	6350	5700	5350	NR
	Nagaur (Loose)	5800	5150	NR	5250
	Alwar (loose)	5400	5250	4700	5200
	Churu (Delivery)	5900	NA	5100	5700
	Bikaner (Loose)	5850	5350	5150	5750
	Bikaner (Delivery)	6050	5550	5300	6000
	Khajuwala Bikaner (Loose)	NA	5300	5200	5450
	Khajuwala Bikaner(Delivery)	NA	5512	5408	5550
	Nokha(Loose)	5950	5350	5100	5500
	Nokha (Delivery)	6164	5543	5284	5698
	Hanumangarh (Loose)	5850	5400	5200	5650
	Hanumangarh (Delivery)	6050	5550	5400	5750
Haryana	Adampur (Loose)	5900	5350	5300	5800
	Adampur (Delivery)	6100	5550	5500	6000
	Sirsa (Loose)	6000	5400	5100	5800
	Bhiwani (Delivery)	5950	5500	5350	5700
	Dhabwali (Loose)	5950	5375	5225	5200
	Dhabwali (Delivery)	6150	5575	5400	5300
	Siwani (Loose)	5950	5400	5275	NR
	Ellanabad (Loose)	5850	5400	5200	NR
Gujarat	Deesa (Loose)	NA	5300	5065	5300
	Patan (Loose)	NA	NA	5500	5330
	Rajkot (Loose)	5675	5275	5060	4700
Madhya pradesh	Dabra (Loose)	4800	4500	4800	4500
Guar Gum					
Rajasthan	Jodhpur	17000	15600	14900	16200
	Alwar	17200	15800	15800	16000
Haryana	Sirsa	17400	15800	14000	15500
	Bhiwani	17600	15800	14950	15200
	Dhabwali	17100	15500	15000	13000
	Ellanabad	17400	15500	14900	NR

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		16th To 22th Aug 14	9th To 14th Aug 14	
Rajasthan	Jodhpur	3200	1650	1550
	Sri-Ganganagar	6000	7100	-1100
	Nagaur	800	1000	-200
	Alwar	8000	4200	3800
	Churu	1000	1300	-300
	Bikaner	1700	1300	400
	Khajuwala Bikaner	800	2300	-1500
	Nokha	3300	2200	1100
	Hanumangarh	1225	840	385
Haryana	Adampur	19000	12100	6900
	Sirsa	9100	3700	5400
	Bhiwani	14000	6500	7500
	Dhabwali	800	830	-30
	Siwani	12000	9000	3000
	Ellanabad	3100	2900	200
Gujarat	Deesa	817	790	27
	Patan (Loose)	685	530	155
	Rajkot	8310	7090	1220
Madhya pradesh	Dabra	600	650	-50
Total Arrival		94437	65980	28457



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

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	5054	5377	5685	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 5630	6000	6200	5390

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

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	14200	15105	15180	17200	18350
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 15820	16400	16700	15460

Spot Market Outlook:

Lower acreage in Rajasthan and Haryana and good seed 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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