

## Domestic Market Recap:

- Guar seed and gum prices declined last week after sharp rally in prices. Rainfall forecast in Rajasthan and Gujarat bound major players to hedge their positions in futures platform which crash the markets of guar seed and gum significantly.
- With decrease in prices from Rs 6550 to 5700, markets sentiments are now bearish with scattered rainfall in parts of Rajasthan and Gujarat. However, delay in sowing of guar seed by one month already decrease the yield as expected which could reverse the situation to bullish against the market expectations as expected.
- Spot demand is pretty good at lower levels and major punters are now averaging their buying quantity of guar seed from both hands currently as reported which would curb any major downside in prices of guar seed and gum from here on.
- 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 from last 4-5 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. 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 2900 bags of guar seed last week which was around 3200 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported lower arrivals (11600 bags) compared to prior week i.e. 21000 bags.

## Crop Update:

### Gujarat:

With recent rainfall in North Gujarat, crop is reviving and is now safe from heavy damage. However, delay in sowing by a month will definitely decrease yield of guar seed for the coming marketing year. However, crop situation is not so good in Kutch-Bhuj region and dryness in the crop has been reported as some parts has not received even a cm rainfall after sowing.

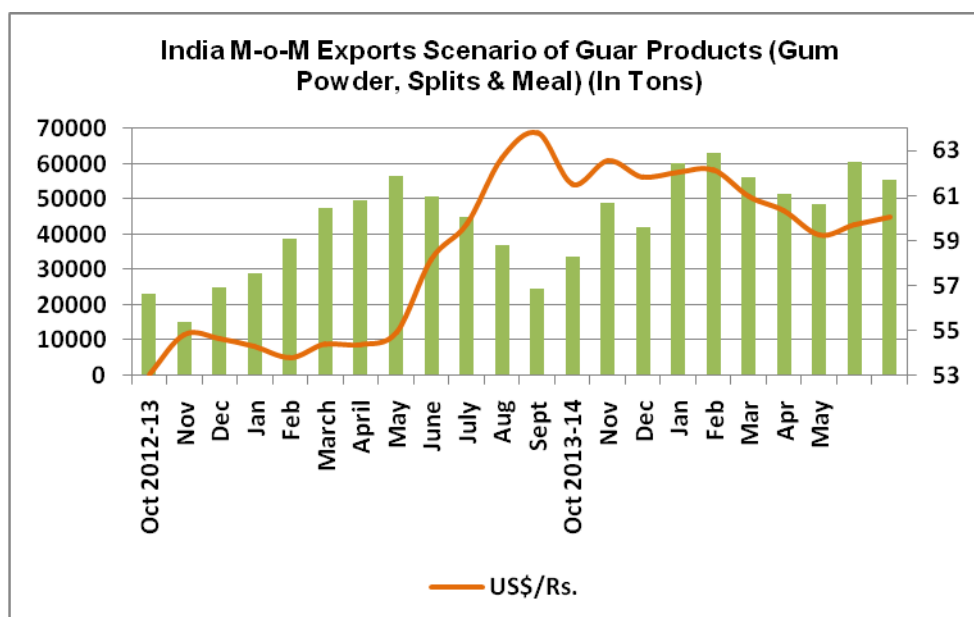
## Export and Import Scenario

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.

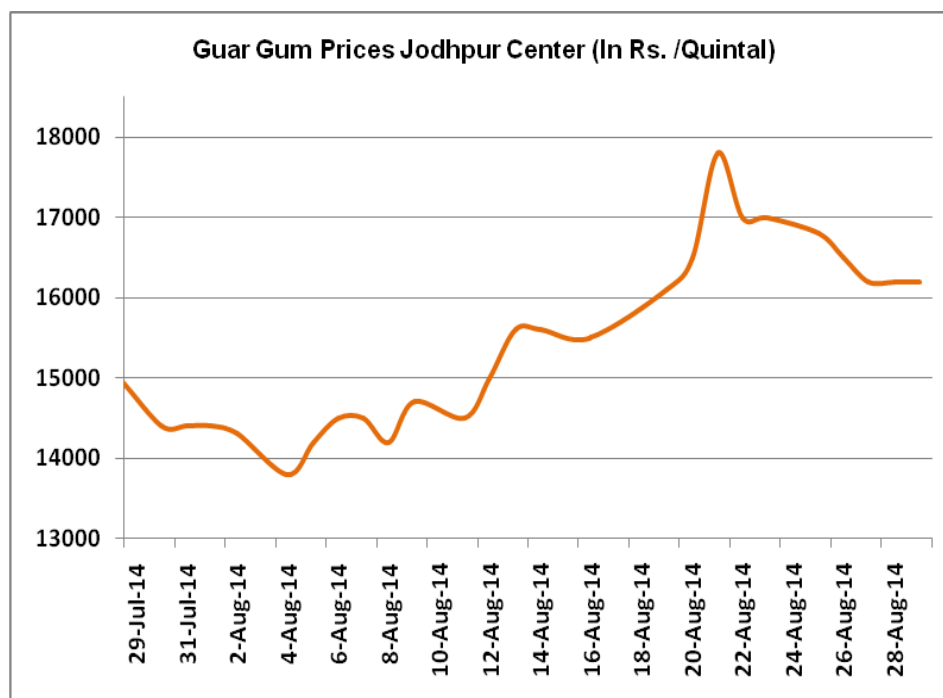
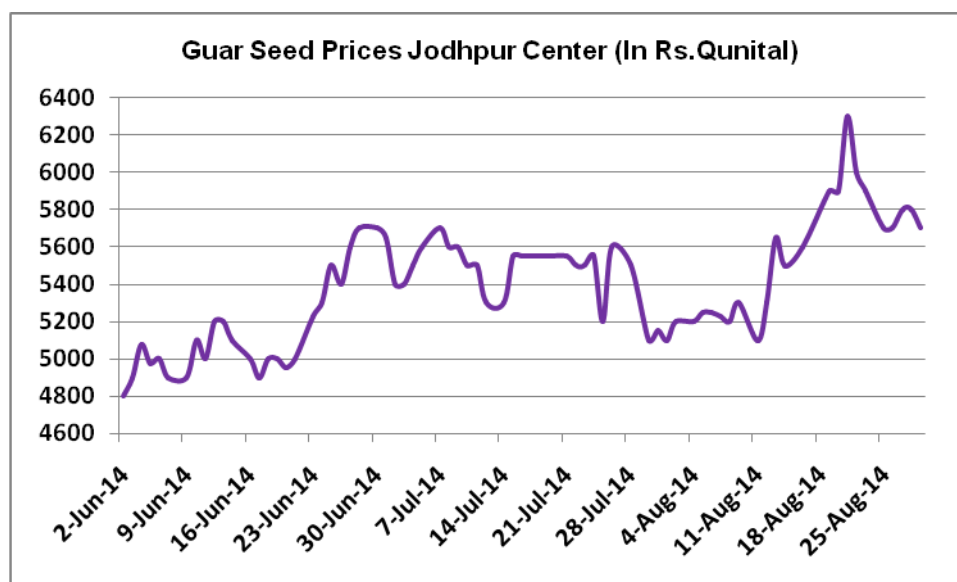
### Demand Side of Guar and Guar Gum:

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.

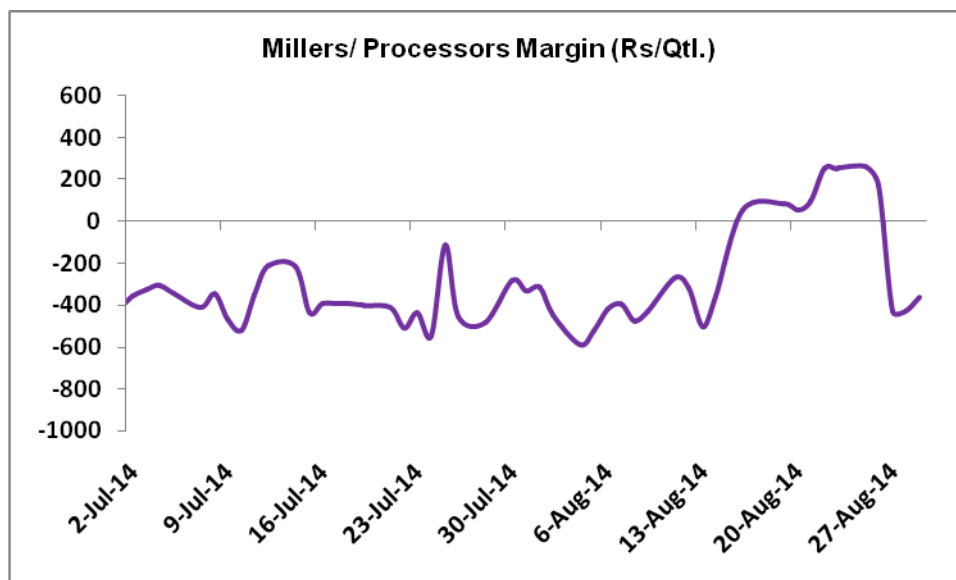


## Price Scenario

In the last week of Aug, the average price of guar seed declined by 2.1% to Rs.5800/Qtl compared to prior week. Also, guar gum prices declined last week by 0.6% to Rs.16483/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 last week of Aug 2014, average crush margin stood at Rs. -261.6/Quintal which was 150 per quintal last week. Higher degree of decrease in guar seed average prices compared to guar gum prices and decrease in Churi and Korma prices led the margin down this week.

## Guar by – Products Weekly Average Prices:

Commodity	Centre	23th To 29th Aug 14	16th To 22th Aug 14	Change
Churi	Jodhpur	965	990	-25
Korma	Jodhpur	1296	1295	1
Churi	Sri-Ganganagar	875	920	-45
Korma	Sri-Ganganagar	1275	1285	-10
Prices in Rs/75kg				

## Guar Export Weekly Average Prices:

Commodity	Variety	23th To 29th Aug 14	16th To 22th Aug 14	Change
Guargum Split		2688	2761	-73
Guargum Powder	200 Mesh 5000 CPS	3018	3090	-72
	200 Mesh 3500 CPS	2936	3008	-72

Guargum Meal	40%	277	264	13
	50%	360	356	4
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		23th To 29th Aug 14	16th To 22th Aug 14	
Rajasthan	Jodhpur (Loose)	5417	5620	-203
	Jodhpur(Delivery)	5767	5940	-173
	Sri-Ganganagar(Loose)	5679	5785	-106
	Sri-Ganganagar (Delivery)	5850	5995	-145
	Nagaur (Loose)	5575	5433	142
	Alwar (loose)	5317	5390	-73
	Churu (Delivery)	5783	5900	-117
	Bikaner (Loose)	5575	5750	-175
	Bikaner (Delivery)	5783	5920	-137
	Khajuwala Bikaner (Loose)	5530	5300	230
	Khajuwala Bikaner(Delivery)	5744	5512	232
	Nokha(Loose)	5542	5740	-198
	Nokha (Delivery)	5741	5947	-206
	Hanumangarh (Loose)	5613	5680	-68
	Hanumangarh (Delivery)	5825	5900	-75
Haryana	Adampur (Loose)	5729	5670	59
	Adampur (Delivery)	5933	5860	73
	Sirsa (Loose)	5783	5798	-15
	Bhiwani (Delivery)	5833	5805	28
	Dhabwali (Loose)	5700	5650	50
	Dhabwali (Delivery)	5892	5875	17
	Siwani (Loose)	5717	5770	-53
	Ellanabad (Loose)	5760	5702	58
Gujarat	Deesa (Loose)	5460	5778	-318
	Patan (Loose)	5371	5678	-307
	Rajkot (Loose)	5350	5688	-338
Madhya pradesh	Dabra (Loose)	4560	4620	-60
Guar Gum				
Rajasthan	Jodhpur	16483	16580	-97
	Alwar	16450	16967	-517

Haryana	Sirsa	16275	16900	-625
	Bhiwani	16783	16880	-97
	Dhabwali	16367	16610	-243
	Ellanabad	16600	16720	-120

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	29-Aug-14	22-Aug-14	30-Jul-14	29-Aug-13
Rajasthan	Jodhpur (Loose)	5300	5800	4700	6500
	Jodhpur(Delivery)	5700	6000	5100	6800
	Sri-Ganganagar(Loose)	NA	6050	5000	NA
	Sri-Ganganagar (Delivery)	NA	6350	5300	NA
	Nagaur (Loose)	5350	5800	4900	6200
	Alwar (loose)	5300	5400	4500	6400
	Churu (Delivery)	5700	5900	4900	6800
	Bikaner (Loose)	5550	5850	4850	6700
	Bikaner (Delivery)	5800	6050	5000	6900
	Khajuwala Bikaner (Loose)	5500	NA	4800	6650
	Khajuwala Bikaner(Delivery)	5700	NA	4992	6916
	Nokha(Loose)	5450	5950	4950	6550
	Nokha (Delivery)	5646	6164	5128	6785
	Hanumangarh (Loose)	5500	5850	4950	6500
	Hanumangarh (Delivery)	5750	6050	5050	6800
Haryana	Adampur (Loose)	5600	5900	4900	7000
	Adampur (Delivery)	5800	6100	5100	7300
	Sirsa (Loose)	5600	6000	NA	6000
	Bhiwani (Delivery)	5700	5950	5100	6700
	Dhabwali (Loose)	5650	5950	4900	6600
	Dhabwali (Delivery)	5850	6150	5050	7000
	Siwani (Loose)	5625	5950	5000	NA
	Ellanabad (Loose)	NA	5850	4900	NA
Gujarat	Deesa (Loose)	NA	NA	4750	NA
	Patan (Loose)	NA	NA	NA	5920
	Rajkot (Loose)	5350	5675	4950	NA
Madhya pradesh	Dabra (Loose)	4500	4800	5000	4700
Guar Gum					
Rajasthan	Jodhpur	16200	17000	14400	18000
	Alwar	16400	17200	14300	18000

Haryana	Sirsa	16150	17400	NA	15000
	Bhiwani	16200	17600	14400	17400
	Dhabwali	16000	17100	14250	18300
	Ellanabad	NA	17400	14200	NA

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		23th To 29th Aug 14	16th To 22th Aug 14	
Rajasthan	Jodhpur	2900	3200	-300
	Sri-Ganganagar	3800	6000	-2200
	Nagaur	350	800	-450
	Alwar	1400	8000	-6600
	Churu	2000	1000	1000
	Bikaner	1550	1700	-150
	Khajuwala Bikaner	2000	800	1200
	Nokha	2400	3300	-900
	Hanumangarh	900	1225	-325
Haryana	Adampur	11600	19000	-7400
	Sirsa	4900	9100	-4200
	Bhiwani	3600	14000	-10400
	Dhabwali	900	800	100
	Siwani	6500	12000	-5500
	Ellanabad	1550	3100	-1550
Gujarat	Deesa	489	817	-328
	Patan (Loose)	840	685	155
	Rajkot	11120	8310	2810
Madhya pradesh	Dabra	625	600	25
Total Arrival		59424	94437	-35013



**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	5796	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 5630	6000	6200	5390

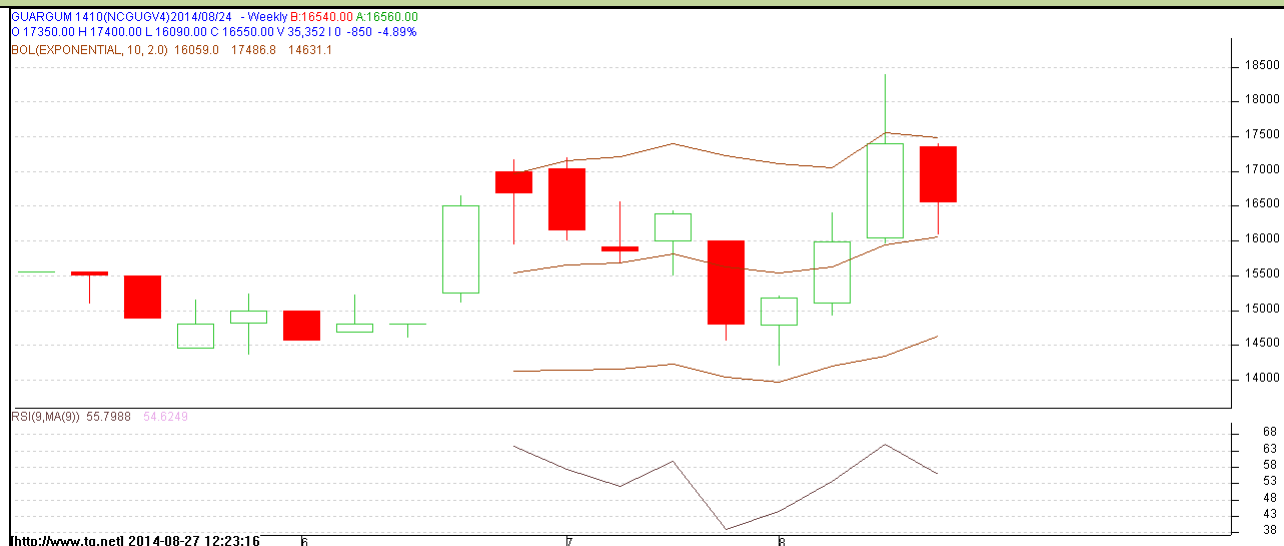




**Commodity: Guar Gum**  
**Contract: Oct**

**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	16280	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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