

Domestic Market Recap:

- Guar seed and gum prices declined last week despite of weak arrivals. 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.
- Haryana state becomes first state to declare drought with 64% rainfall shortage this year. Out of 21 districts, 18 districts got below 50% rainfall. This news likely to give bullish impact on guar prices as Haryana contributes handsome share in guar seed production.
- Farmers in Gujarat sown guar in 2.84 lac hectares till 1-9-2014 which is lower from 4.69 lac hectares sowed by farmers last year at same period. Guar area has been diverted to Kapas in Gujarat due to lower productivity and prices attained by farmers from last year crop.
- 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.

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.

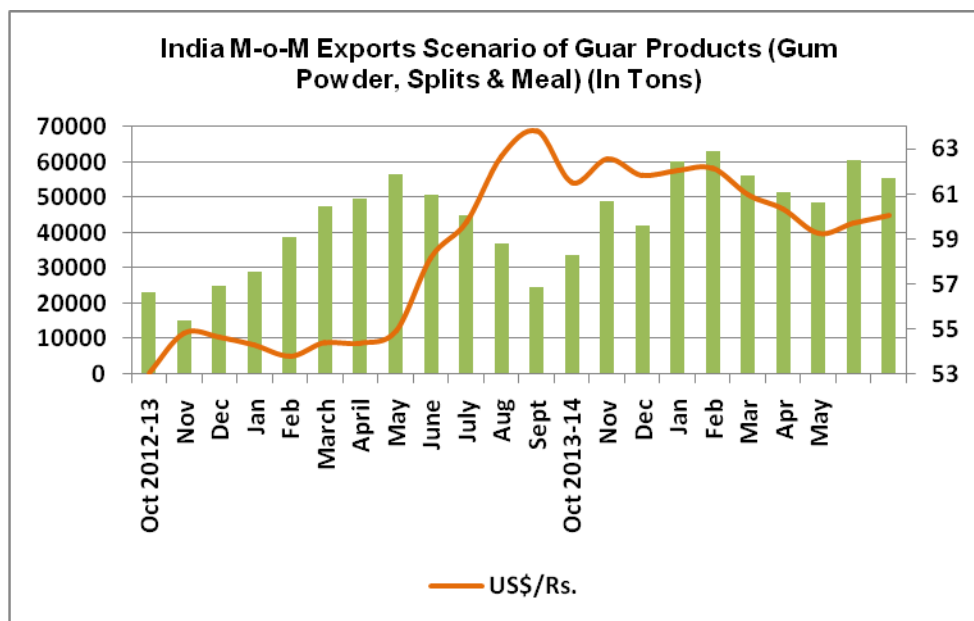
Export and Import Scenario

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.

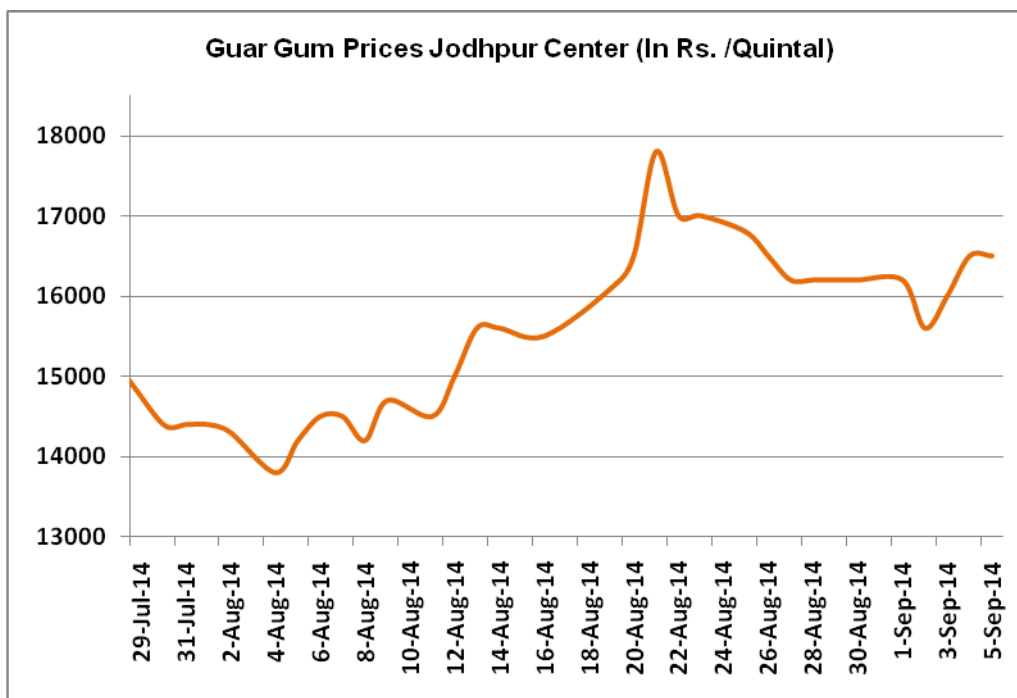
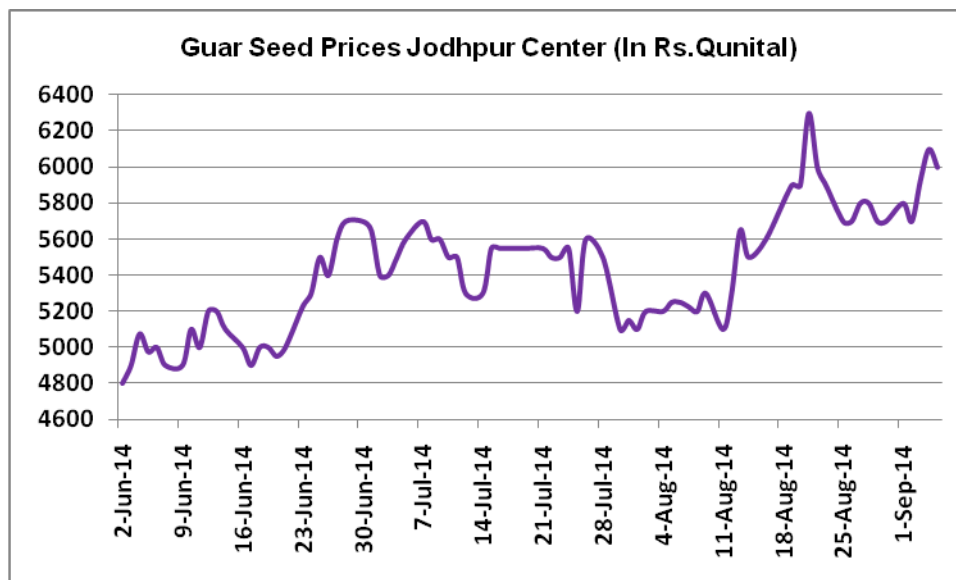
Demand Side of Guar and Guar Gum:

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.

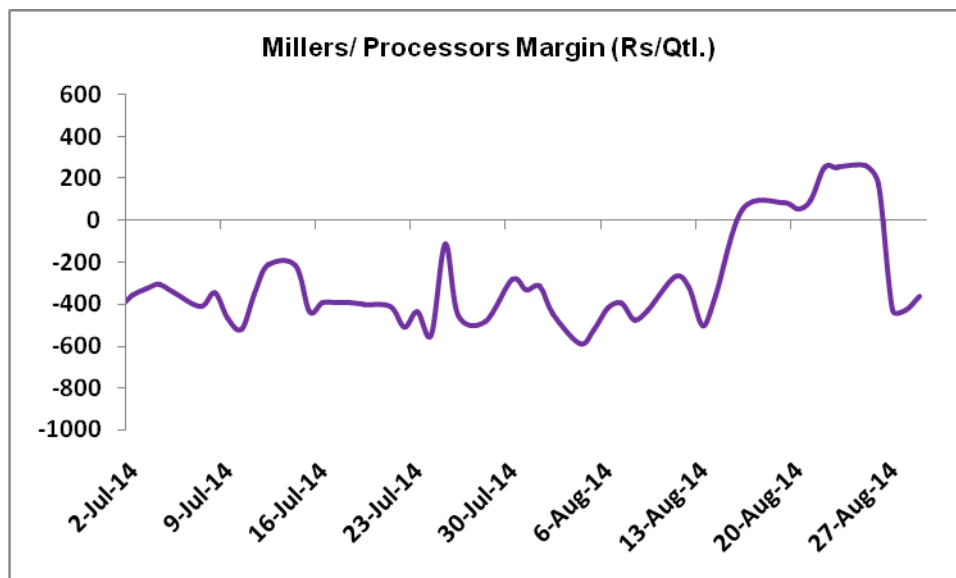


Price Scenario

In the last week of Aug, the average price of guar seed improved by 1% to Rs.5870/Qtl compared to prior week. Also, guar gum prices declined last week by 2% to Rs.16166/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 first week of Sept 2014, average crush margin stood at Rs. -513/Quintal which was -261.6 per quintal last week. Higher degree of decrease in guar gum average prices compared to guar seed prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	30th To 5th Sep 14	23th To 29th Aug 14	Change
Churi	Jodhpur	920	965	-45
Korma	Jodhpur	1310	1296	14
Churi	Sri-Ganganagar	850	875	-25
Korma	Sri-Ganganagar	1255	1275	-20
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	30th To 5th Sep 14	23th To 29th Aug 14	Change
Guargum Split	Guargum Split(Banaskantha)	2643	2688	-45
Guargum Powder	200 Mesh 5000 CPS	2974	3018	-44
	200 Mesh 3500 CPS	2891	2936	-45

Guargum Meal	40%	280	277	3
	50%	360	360	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		30th To 5th Sep 14	23th To 29th Aug 14	
Rajasthan	Jodhpur (Loose)	5588	5417	171
	Jodhpur(Delivery)	5871	5767	104
	Sri-Ganganagar(Loose)	5435	5679	-244
	Sri-Ganganagar (Delivery)	5635	5850	-215
	Nagaur (Loose)	5350	5575	-225
	Alwar (loose)	5208	5317	-108
	Churu (Delivery)	5550	5783	-233
	Bikaner (Loose)	5550	5575	-25
	Bikaner (Delivery)	5730	5783	-53
	Khajuwala Bikaner (Loose)	5480	5530	-50
	Khajuwala Bikane(Delivery)	5696	5744	-47
	Nokha(Loose)	5467	5542	-75
	Nokha (Delivery)	5664	5741	-78
	Hanumangarh (Loose)	5542	5613	-71
	Hanumangarh (Delivery)	5767	5825	-58
Haryana	Adampur (Loose)	5567	5729	-163
	Adampur (Delivery)	5767	5933	-167
	Sirsa (Loose)	5574	5783	-209
	Bhiwani (Delivery)	5692	5833	-142
	Dhabwali (Loose)	5542	5700	-158
	Dhabwali (Delivery)	5758	5892	-133
	Siwani (Loose)	5658	5717	-58
	Ellanabad (Loose)	5650	5760	-110
Gujarat	Deesa (Loose)	5264	5460	-196
	Patan (Loose)	5416	5371	45
	Rajkot (Loose)	5344	5350	-6
Madhya pradesh	Dabra (Loose)	4583	4560	23
Guar Gum				
Rajasthan	Jodhpur	16167	16483	-317
	Alwar	16133	16450	-317

Haryana	Sirsa	15980	16275	-295
	Bhiwani	16425	16783	-358
	Dhabwali	16225	16367	-142
	Ellanabad	16240	16600	-360

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	5-Sep-14	29-Aug-14	5-Aug-14	5-Sep-13
Rajasthan	Jodhpur (Loose)	5800	5300	5000	8000
	Jodhpur(Delivery)	6000	5700	5200	8200
	Sri-Ganganagar(Loose)	NA	NA	4800	8000
	Sri-Ganganagar (Delivery)	NA	NA	5100	8200
	Nagaur (Loose)	5600	5350	4600	8000
	Alwar (loose)	5400	5300	4600	7500
	Churu (Delivery)	5800	5700	5000	8000
	Bikaner (Loose)	5750	5550	4825	8400
	Bikaner (Delivery)	5900	5800	5100	8600
	Khajuwala Bikaner (Loose)	5700	5500	4850	8300
	Khajuwala Bikaner(Delivery)	5928	5700	5044	8632
	Nokha(Loose)	5750	5450	4750	8000
	Nokha (Delivery)	5957	5646	4921	8286
	Hanumangarh (Loose)	5550	5500	4900	8300
	Hanumangarh (Delivery)	5850	5750	5100	8500
Haryana	Adampur (Loose)	5800	5600	5000	8500
	Adampur (Delivery)	6000	5800	5200	8800
	Sirsa (Loose)	NA	5600	4950	8600
	Bhiwani (Delivery)	5950	5700	5050	8300
	Dhabwali (Loose)	5650	5650	4925	8050
	Dhabwali (Delivery)	5850	5850	5100	8200
	Siwani (Loose)	5850	5625	5025	7500
	Ellanabad (Loose)	5800	NA	4950	8000
Gujarat	Deesa (Loose)	NR	NA	4585	NA
	Patan (Loose)	6005	NA	4635	7500
	Rajkot (Loose)	5450	5350	4745	7315
Madhya pradesh	Dabra (Loose)	5000	4500	4700	7000
Guar Gum					
Rajasthan	Jodhpur	16500	16200	14200	22000
	Alwar	17000	16400	14300	22000

Haryana	Sirsa	NA	16150	14300	20000
	Bhiwani	17500	16200	13700	22200
	Dhabwali	16900	16000	14500	22500
	Ellanabad	16600	NA	14500	22000

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		30th To 5th Sep 14	23th To 29th Aug 14	
Rajasthan	Jodhpur	1700	2900	-1200
	Sri-Ganganagar	2500	3800	-1300
	Nagaur	825	350	475
	Alwar	1200	1400	-200
	Churu	1600	2000	-400
	Bikaner	950	1550	-600
	Khajuwala Bikaner	1800	2000	-200
	Nokha	2000	2400	-400
	Hanumangarh	650	900	-250
Haryana	Adampur	5500	11600	-6100
	Sirsa	2000	4900	-2900
	Bhiwani	1600	3600	-2000
	Dhabwali	260	900	-640
	Siwani	6100	6500	-400
	Ellanabad	910	1550	-640
Gujarat	Deesa	1046	489	557
	Patan (Loose)	442	840	-398
	Rajkot	5770	11120	-5350
Madhya pradesh	Dabra	950	625	325
Total Arrival		37803	59424	-21621

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

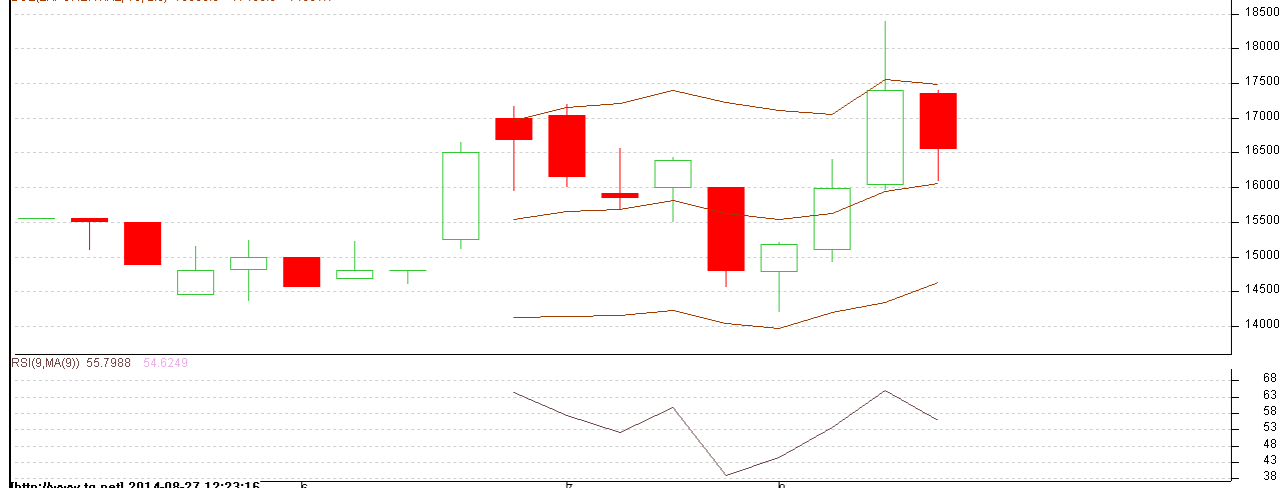


Commodity: Guar Gum
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2014

Guar Gum (Oct Weekly Chart)

GUARGUM 1410(NCGUGV4)2014/08/24 - Weekly B:16540.00 A:16560.00
O:17350.00 H:17400.00 L:16090.00 C:16550.00 V:35,352 I/O -850 -4.89%
BOL(EXPONENTIAL, 10, 2.0) 16059.0 17486.8 14631.1



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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