

**Domestic Market Recap:**

- Guar seed declined marginally last week over higher arrivals. Market participants are in ambiguity over price directions from current levels as reported.
- Guar crop damaged in parts of Sikar (Rajasthan) due to heavy rainfall last week as reported.
- Punters are trying to create confusion in the market and drag the markets down to purchase the stock at lower levels. Presently, every seller is trying to sell its stock at some premium considering good fundamentals of guar prices ahead.
- Reports of crop damage in Gujarat came due to continuous heavy rainfall specially in Sabarkantha and Mehsana districts. It is notable that these districts now got actual higher precipitation than normal which earlier was lower than average.
- India has exported 53581 tons of guar products (Meal, Splits and Gum powder) in August 2014 which was 37000 tons exported in the same period last year. However, export figures declined by 2000 tons compared to last month as reported.
- 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.

**Current Market Dynamics**

Guar seed prices declined over recent rainfall in major guar producing regions. However, still the sentiments remained bullish for guar seed for the medium to long term. Lower guar seed acreage and expected lower yield and production compared to last year change the fundamentals altogether.

In the major Jodhpur market, arrivals were reported around 1520 bags of guar seed last week which was around 1700 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (7400 bags) compared to prior week i.e. 5500bags.

## 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.

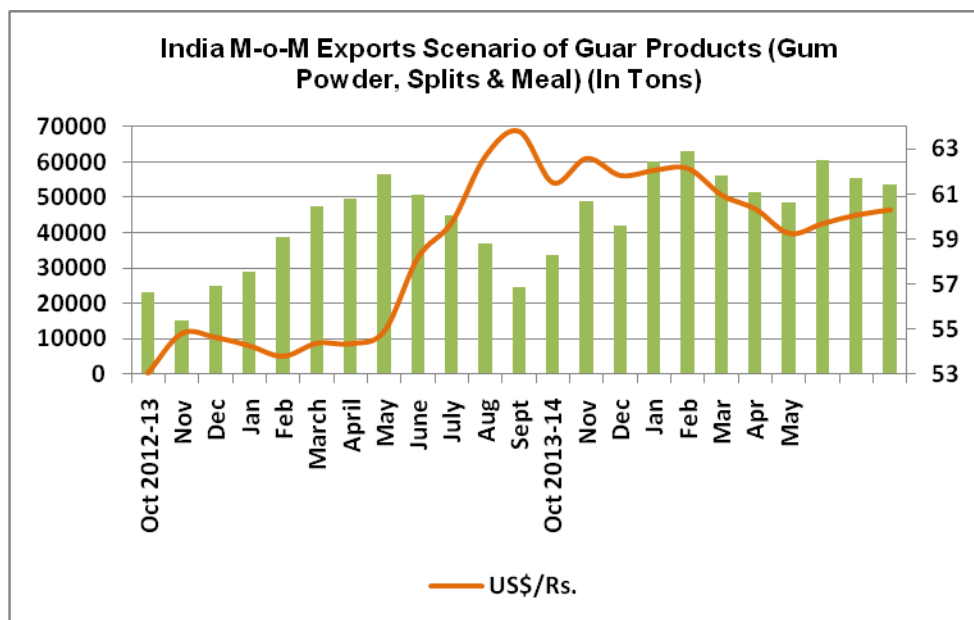
## Export and Import Scenario

India has exported 53581 tons of guar products (Meal, Splits and Gum powder) in August 2014 which was 37000 tons exported in the same period last year.

However, export figures declined by 2000 tons compared to last month as reported.

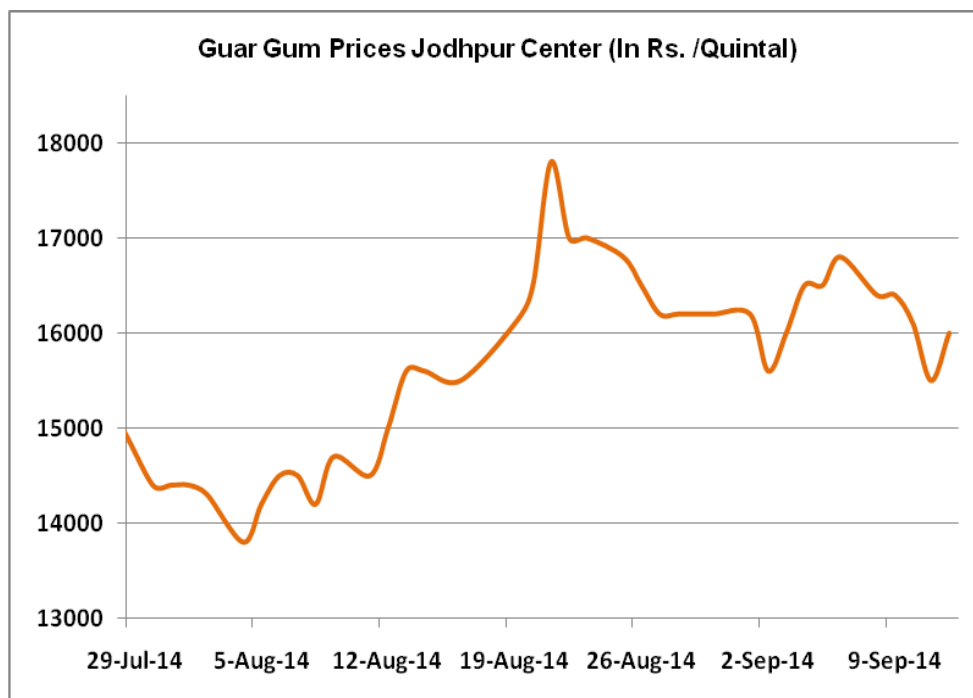
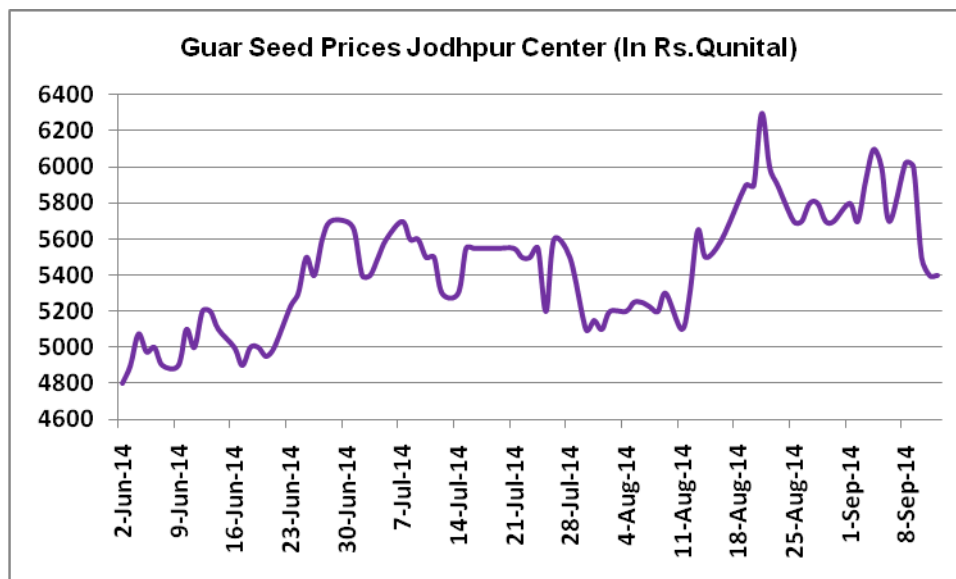
### Demand Side of Guar and Guar Gum:

On export front, demand of guar products are decreasing. 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.

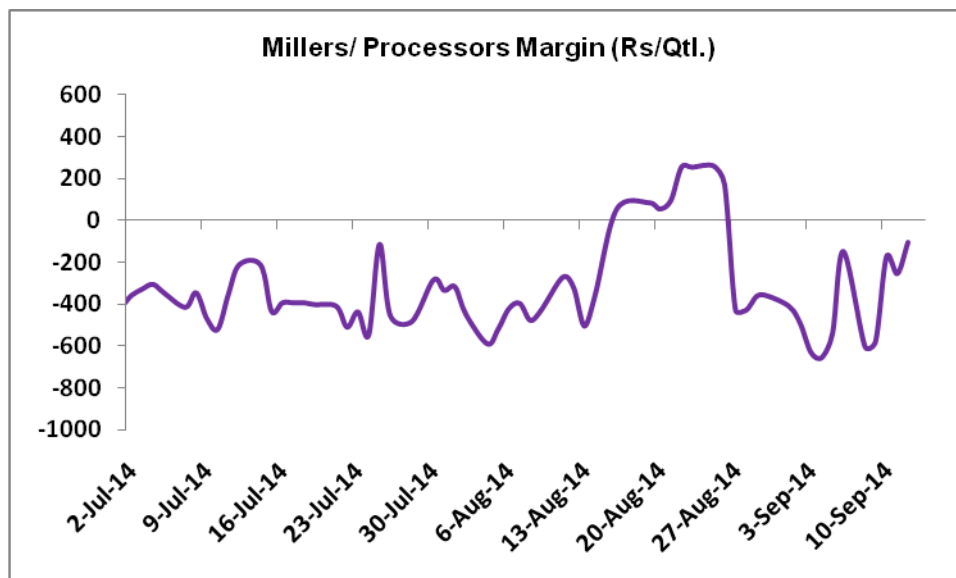


### Price Scenario

In the second week of Sept, the average price of guar seed declined by 3% to Rs.5670/Qtl compared to prior week. Also, guar gum prices improved marginally last week by 0.2% to Rs.16200/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 second week of Sept 2014, average crush margin stood at Rs. -309/Quintal which was -513 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	6th To 12th Sep 14	30th To 5th Sep 14	Change
Churi	Jodhpur	917	920	-3
Korma	Jodhpur	1300	1310	-10
Churi	Sri-Ganganagar	875	850	25
Korma	Sri-Ganganagar	1242	1255	-13
Prices in Rs/75kg				

## Guar Export Weekly Average Prices:

Commodity	Variety	6th To 12th Sep 14	30th To 5th Sep 14	Change
Guargum Split	Guargum Split(Banaskantha)	2655	2643	12
Guargum Powder	200 Mesh 5000 CPS	2985	2974	11
	200 Mesh 3500 CPS	2903	2891	12

Guargum Meal	40%	273	280	-7
	50%	353	360	-7
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		6th To 12th Sep 14	30th To 5th Sep 14	
Rajasthan	Jodhpur (Loose)	5471	5588	-117
	Jodhpur(Delivery)	5671	5871	-200
	Sri-Ganganagar(Loose)	5505	5435	70
	Sri-Ganganagar (Delivery)	5670	5635	35
	Nagaur (Loose)	5367	5350	17
	Alwar (loose)	5200	5208	-8
	Churu (Delivery)	5560	5550	10
	Bikaner (Loose)	5483	5550	-67
	Bikaner (Delivery)	5642	5730	-88
	Khajuwala Bikaner (Loose)	5475	5480	-5
	Khajuwala Bikaner(Delivery)	5694	5696	-2
	Nokha(Loose)	5460	5467	-7
	Nokha (Delivery)	5657	5664	-7
	Hanumangarh (Loose)	5467	5542	-75
	Hanumangarh (Delivery)	5675	5767	-92
Haryana	Adampur (Loose)	5517	5567	-50
	Adampur (Delivery)	5692	5767	-75
	Sirsa (Loose)	5496	5574	-78
	Bhiwani (Delivery)	5642	5692	-50
	Dhabwali (Loose)	5417	5542	-125
	Dhabwali (Delivery)	5617	5758	-142
	Siwani (Loose)	5608	5658	-50
	Ellanabad (Loose)	5508	5650	-142
Gujarat	Deesa (Loose)	5233	5264	-31
	Patan (Loose)	5216	5416	-200
	Rajkot (Loose)	5284	5344	-60
Madhya pradesh	Dabra (Loose)	4833	4583	250
Guar Gum				
Rajasthan	Jodhpur	16200	16167	33
	Alwar	16050	16133	-83

Haryana	Sirsa	16225	15980	245
	Bhiwani	16300	16425	-125
	Dhabwali	16183	16225	-42
	Ellanabad	16140	16240	-100

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	12-Sep-14	5-Sep-14	12-Aug-14	12-Sep-13
Rajasthan	Jodhpur (Loose)	5200	5800	5100	8000
	Jodhpur(Delivery)	5400	6000	5300	8500
	Sri-Ganganagar(Loose)	5400	NA	5110	9100
	Sri-Ganganagar (Delivery)	5550	NA	5300	9300
	Nagaur (Loose)	5250	5600	4900	8500
	Alwar (loose)	5200	5400	4800	NA
	Churu (Delivery)	5600	5800	NR	NA
	Bikaner (Loose)	5450	5750	5100	8200
	Bikaner (Delivery)	5500	5900	5250	8500
	Khajuwala Bikaner (Loose)	5450	5700	5100	8650
	Khajuwala Bikaner(Delivery)	5668	5928	5304	8996
	Nokha(Loose)	NR	5750	5050	8300
	Nokha (Delivery)	NR	5957	5232	8598
	Hanumangarh (Loose)	5400	5550	5171	8800
	Hanumangarh (Delivery)	5600	5850	5350	9100
Haryana	Adampur (Loose)	5400	5800	5100	9300
	Adampur (Delivery)	5550	6000	5300	9300
	Sirsa (Loose)	5425	NA	5200	9000
	Bhiwani (Delivery)	5600	5950	5300	9000
	Dhabwali (Loose)	5300	5650	5200	8500
	Dhabwali (Delivery)	5500	5850	5350	8800
	Siwani (Loose)	5500	5850	5100	8200
	Ellanabad (Loose)	5400	5800	NR	9100
Gujarat	Deesa (Loose)	5250	NR	4800	8000
	Patan (Loose)	NA	6005	4890	8025
	Rajkot (Loose)	5275	5450	4975	7800
Madhya pradesh	Dabra (Loose)	4800	5000	NR	7800
Guar Gum					
Rajasthan	Jodhpur	16000	16500	15000	24500
	Alwar	16000	17000	15000	NA

Haryana	Sirsa	16000	NA	15250	24500
	Bhiwani	15800	17500	15000	25800
	Dhabwali	15800	16900	14800	25000
	Ellanabad	16000	16600	NR	25000

Centre	Weekly Arrivals (Quintals)			Change
		6th To 12th Sep 14	30th To 5th Sep 14	
Rajasthan	Jodhpur	1520	1700	-180
	Sri-Ganganagar	5100	2500	2600
	Nagaur	1950	825	1125
	Alwar	1700	1200	500
	Churu	1800	1600	200
	Bikaner	2400	950	1450
	Khajuwala Bikaner	2100	1800	300
	Nokha	3000	2000	1000
	Hanumangarh	1700	650	1050
Haryana	Adampur	7400	5500	1900
	Sirsa	10100	2000	8100
	Bhiwani	3200	1600	1600
	Dhabwali	980	260	720
	Siwani	6400	6100	300
	Ellanabad	2300	910	1390
Gujarat	Deesa	1082	1046	36
	Patan (Loose)	285	442	-157
	Rajkot	5910	5770	140
Madhya pradesh	Dabra	550	950	-400
Total Arrival		59477	37803	21674

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 bearishness in the market.

### Strategy: Sell from support levels

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	5054	5377	5597	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	<b>Sell</b>	Below 5730	5500	5400	5850





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

**Exchange: NCDEX**  
**Expiry: Oct 20, 2014**

### Guar Gum (Oct Weekly Chart)

GUARGUM 1410(NCGUGV4)2014/09/14 - Weekly B:16100.00 A:16110.00  
O 15750.00 H 16240.00 L 15500.00 C 16100.00 V 10,700 I/D +220 +1.39%  
BOL(EXPONENTIAL, 10, 2.0) 16064.2 17419.6 14708.7



#### Technical Commentary:

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

#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	14200	15105	15880	17200	18350
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	<b>Sell</b>	Below 16300	15900	15700	16540

**Spot Market Outlook:**

Prices of guar seed and gum declined last week over increasing guar arrivals in the markets. Also, scattered rainfall and weak demand at higher levels also depress the prices in spot markets. We expect prices to dip upto Rs 200-300 per quintal from where it should rebound.

It is notable that overall price sentiments remained bullish due to lower acreage and late sowing which ultimately affect the guar seed yield for the coming season.

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