

## Domestic Market Recap:

- Selling Pressure building up on Guar seed prices at higher levels owing to higher arrivals. Meanwhile, market participants are in ambiguity over price directions from current levels as reported.
- Markets are now estimating 1.25 -1.5 crore bags production of guar seed this year due to late rainfall and lower acreage this year compared to last year.
- Prices seem to test Rs 5360-5250 per quintal in the coming week. Punters are trying to pull the market down to regain their guar stock holding.
- India has exported 15145 tons of guar products (Guar meal, splits and powder) in the third week of September 2014. Out of total guar exports, 1850 tons of guar meal, 1340 tons of guar splits and 11955 tons of guar gum powder exported.
- Continuous warm wind (also called Naguari wind) is flowing in Bikaner region from last couple of days which is harming standing guar crop.
- Reportedly, new crop arrivals of guar seed reported in Ganganagar. However, black guar seed is arriving right now due to late rainfall which fetches lower rates compared to normal seed.

## Current Market Dynamics

Guar seed prices declined over new arrivals in Ganganagar region. 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 3000 bags of guar seed last week which was around 1520 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (11700 bags) compared to prior week i.e. 7400bags.

**Crop Update:****Gujarat:**

Gujarat weather shows a turnaround amid heavy rainfall during last week of Aug to 1<sup>st</sup> week of Sept. which is not good for 2 feet height guar seed crop.

Some loss has been reported in guar crop in the Northern part of Gujarat due to continuous rainfall. Also, delayed sowing also likely to impact the yield of guar seed for the coming marketing year.

**Rajasthan:**

Continuous warm wind (also called Naguari wind) is flowing in Bikaner region from last couple of days which is harming standing guar crop.

Image below clearly showing crop is drying with this warm wind flowing in the region.



Also, some crop damage also reported in Sikar district due to heavy rainfall.

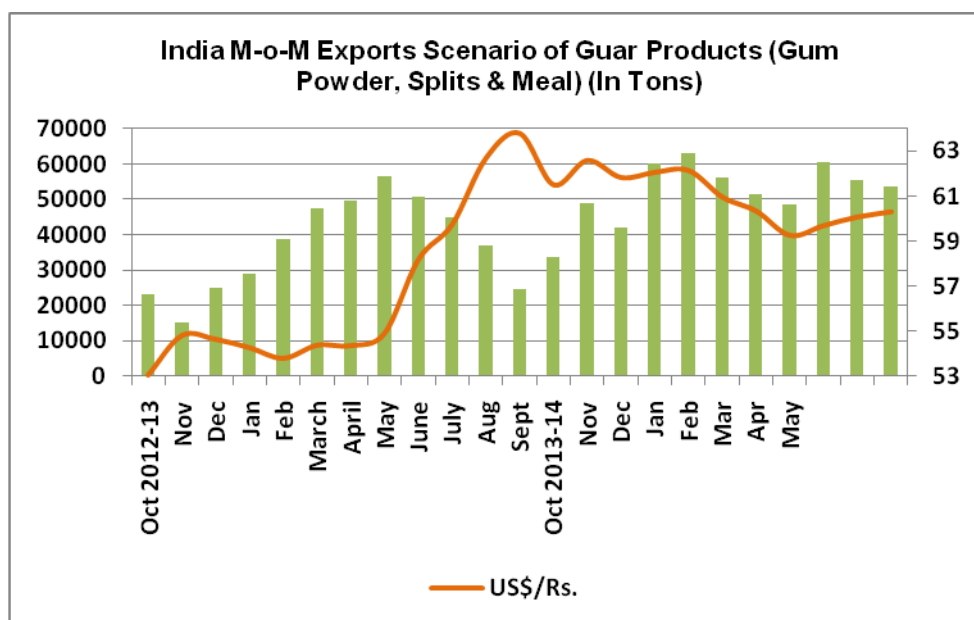
**Export and Import Scenario**

India has exported 15145 tons of guar products (Guar meal, splits and powder) in the third week of September 2014. Out of total guar exports, 1850 tons of guar meal, 1340 tons of guar splits and 11955 tons of guar gum powder exported.

It is notable that 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.

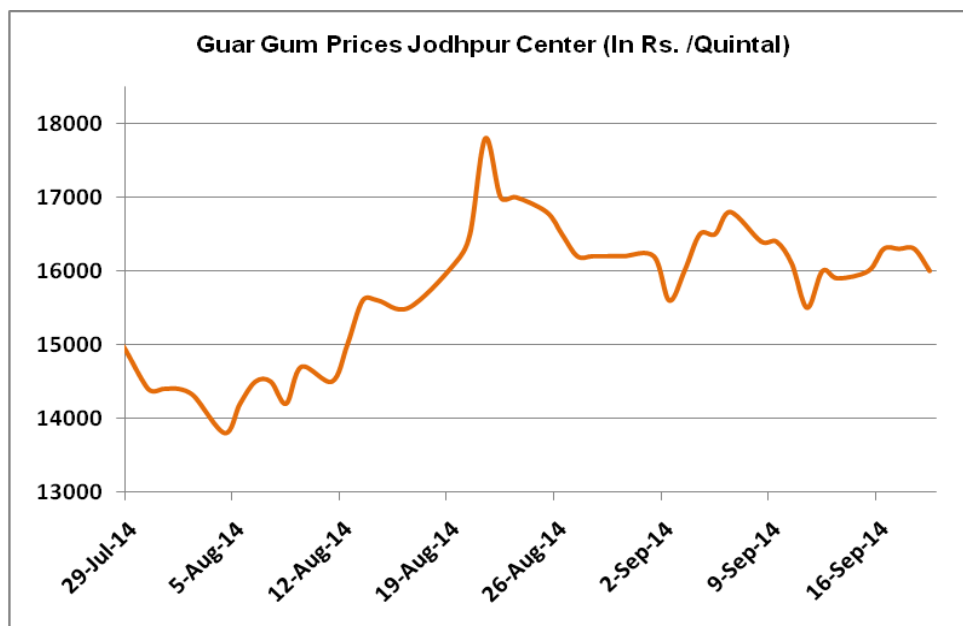
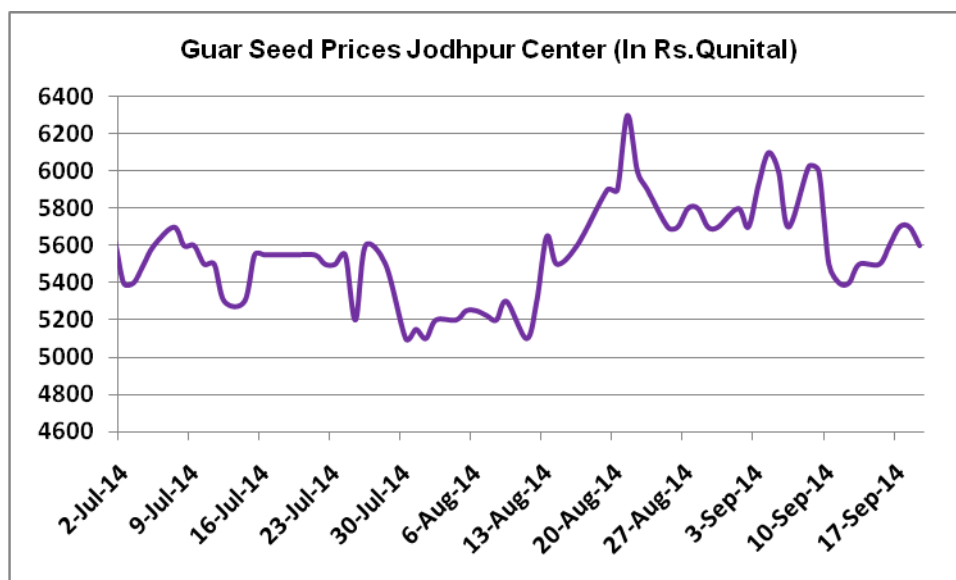
### Demand Side of Guar and Guar Gum:

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.

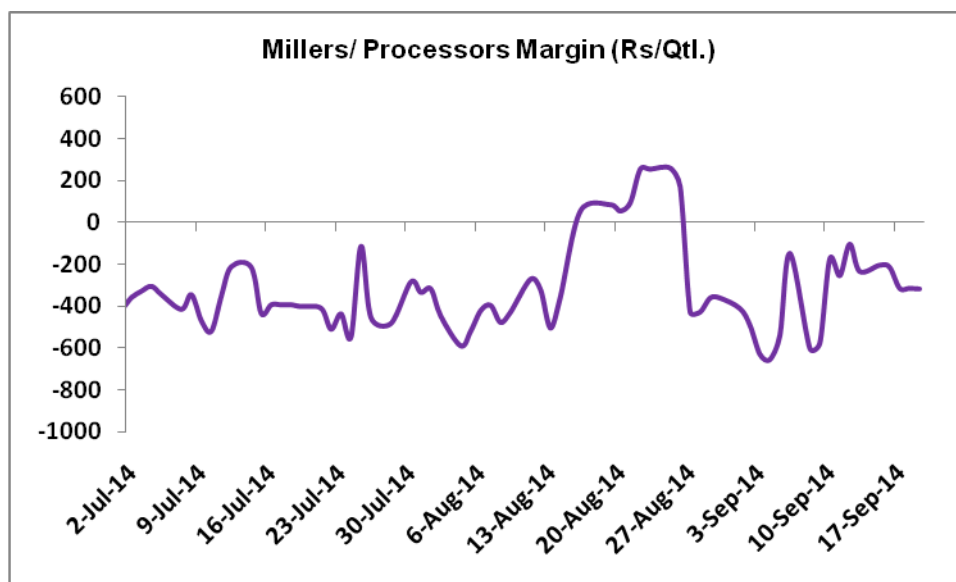


### Price Scenario

In the second week of Sept, the average price of guar seed declined by 1% to Rs.5600/Qtl compared to prior week. Also, guar gum prices declined last week by 0.4% to Rs.16133/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 Sept 2014, average crush margin stood at Rs. -266/Quintal which was -309 per quintal last week. Higher degree of decrease in guar seed average prices compared to guar gum prices led the margin up this week.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	20th Sept.- 26th Sept.	13th To 19th Sep 14	Change
Churi	Jodhpur	897	917	-20
Korma	Jodhpur	1297	1300	-3
Churi	Sri-Ganganagar	850	875	-25
Korma	Sri-Ganganagar	1200	1242	-42
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	20th Sept.- 26th Sept.	13th To 19th Sep 14	Change
Guargum Split		2621	2655	-34
Guargum Powder	200 Mesh 5000 CPS	2938	2985	-47
	200 Mesh 3500 CPS	2878	2903	-25
Guargum Meal	40%	265	273	-8
	50%	353	353	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		20th Sept.- 26th Sept.	13th To 19th Sep 14	
	<b>Guar Seeds</b>			
<b>Rajasthan</b>	Jodhpur (Loose)	5300	5471	<b>-171</b>
	Jodhpur(Delivery)	5600	5671	<b>-71</b>
	Sri-Ganganagar(Loose)	5380	5505	<b>-125</b>
	Sri-Ganganagar (Delivery)	5567	5670	<b>-103</b>
	Nagaur (Loose)	5254	5367	<b>-113</b>
	Alwar (loose)	5200	5200	<b>Unch</b>
	Churu (Delivery)	5554	5560	<b>-6</b>
	Bikaner (Loose)	5392	5483	<b>-91</b>
	Bikaner (Delivery)	5563	5642	<b>-79</b>
	Khajuwala Bikaner (Loose)	5354	5475	<b>-121</b>
	Khajuwala Bikane(Delivery)	5568	5694	<b>-126</b>
	Nokha(Loose)	5367	5460	<b>-93</b>
	Nokha (Delivery)	5556	5657	<b>-101</b>
	Hanumangarh (Loose)	5350	5467	<b>-117</b>
	Hanumangarh (Delivery)	5528	5675	<b>-147</b>
<b>Haryana</b>	Adampur (Loose)	5425	5517	<b>-92</b>
	Adampur (Delivery)	5583	5692	<b>-109</b>
	Sirsa (Loose)	5404	5496	<b>-92</b>
	Bhiwani (Delivery)	5608	5642	<b>-34</b>
	Dhabwali (Loose)	5315	5417	<b>-102</b>
	Dhabwali (Delivery)	5513	5617	<b>-104</b>
	Siwani (Loose)	5558	5608	<b>-50</b>
	Ellanabad (Loose)	5463	5508	<b>-45</b>
<b>Gujarat</b>	Deesa (Loose)	5202	5233	<b>-31</b>
	Patan (Loose)	5282	5216	<b>66</b>
	Rajkot (Loose)	5258	5284	<b>-26</b>
<b>Madhya pradesh</b>	Dabra (Loose)	4483	4833	<b>-350</b>
	<b>Guar Gum</b>			
<b>Rajasthan</b>	Jodhpur	16133	16200	<b>-67</b>
	Alwar	16017	16050	<b>-33</b>
<b>Haryana</b>	Sirsa	15983	16225	<b>-242</b>
	Bhiwani	16033	16300	<b>-267</b>
	Dhabwali	16042	16183	<b>-141</b>
	Ellanabad	16075	16140	<b>-65</b>

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	26-Sep-14	19-Sep-14	26-Aug-14	26-Sep-13
Rajasthan	Jodhpur (Loose)	5300	5200	5500	7000
	Jodhpur(Delivery)	5600	5400	5900	7500
	Sri-Ganganagar(Loose)	5400	5400	5525	7200
	Sri-Ganganagar (Delivery)	5600	5550	5725	7400
	Nagaur (Loose)	5350	5250	5250	7000
	Alwar (loose)	5200	5200	5250	7000
	Churu (Delivery)	5425	5600	NA	7500
	Bikaner (Loose)	5300	5450	5700	7100
	Bikaner (Delivery)	5500	5500	5900	7400
	Khajuwala Bikaner (Loose)	5300	5450	NA	7800
	Khajuwala Bikaner(Delivery)	5512	5668	NA	8112
	Nokha(Loose)	5350	NR	5600	7100
	Nokha (Delivery)	5543	NR	5802	7355
	Hanumangarh (Loose)	5300	5400	5550	7150
	Hanumangarh (Delivery)	5500	5600	5750	7400
Haryana	Adampur (Loose)	5400	5400	5500	7400
	Adampur (Delivery)	5550	5550	5700	7600
	Sirsa (Loose)	5375	5425	5650	7800
	Bhiwani (Delivery)	5550	5600	5650	7000
	Dhabwali (Loose)	5250	5300	5450	7000
	Dhabwali (Delivery)	5450	5500	5750	7500
	Siwani (Loose)	5525	5500	5700	7300
	Ellanabad (Loose)	NA	5400	5600	7300
Gujarat	Deesa (Loose)	5205	5250	NA	NA
	Patan (Loose)	5500	NA	5355	NA
	Rajkot (Loose)	5300	5275	NA	7000
Madhya pradesh	Dabra (Loose)	4500	4800	4500	7500
Guar Gum					
Rajasthan	Jodhpur	16000	16000	16100	20500
	Alwar	15800	16000	NA	21000
Haryana	Sirsa	16000	16000	16500	20000
	Bhiwani	15900	15800	16550	20300
	Dhabwali	16000	15800	16350	20500
	Ellanabad	NA	16000	16400	20700

**Guar Cumulative Arrivals in Key Centers**

Centre	Weekly Arrivals (Quintals)			Change
		20th Sept.-26th Sept.	13th To 19th Sep 14	
Rajasthan	Jodhpur	3000	1520	1480
	Sri-Ganganagar	7200	5100	2100
	Nagaur	3250	1950	1300
	Alwar	1800	1700	100
	Churu	4300	1800	2500
	Bikaner	4600	2400	2200
	Khajuwala Bikaner	2150	2100	50
	Nokha	7000	3000	4000
	Hanumangarh	2500	1700	800
Haryana	Adampur	11700	7400	4300
	Sirsa	7100	10100	-3000
	Bhiwani	7400	3200	4200
	Dhabwali	2400	980	1420
	Siwani	6600	6400	200
	Ellanabad	3300	2300	1000
Gujarat	Deesa	882	1082	-200
	Patan (Loose)	628	285	343
	Rajkot	6650	5910	740
Madhya pradesh	Dabra	720	550	170
Total Arrival		83180	59477	23703

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.

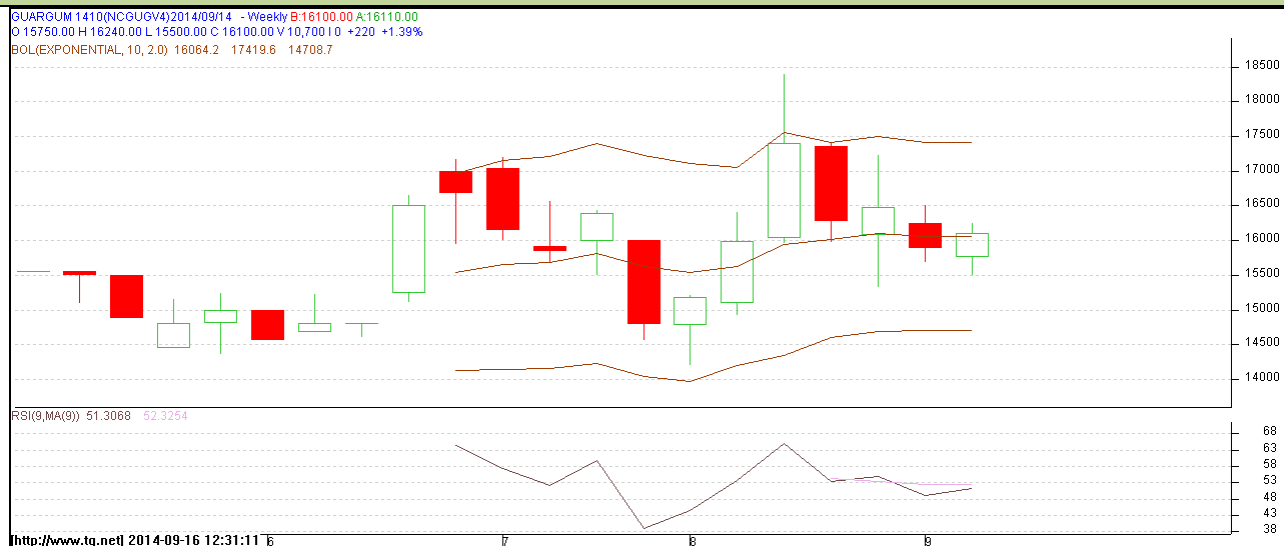
### Strategy: Sell from support levels

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 5650	5500	5430	5725

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 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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