

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.
- India has exported 51723 tons of guar products in Sept 2014 which is slightly down compared to last month guar exports. It is notable that India exported 53581 tons of guar products in Aug 2014.
- 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 1st 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

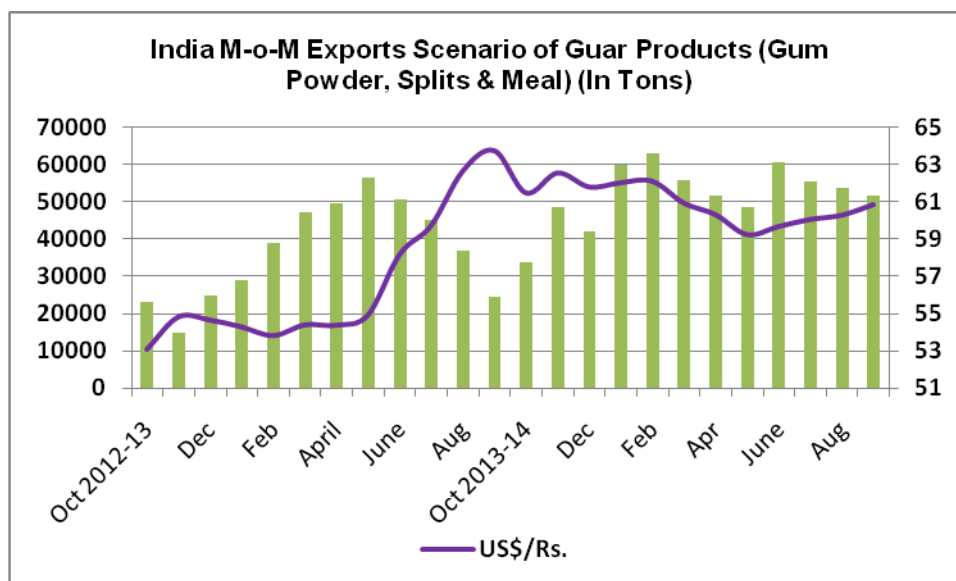
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It is notable that India has exported 53581 tons of guar products (Meal, Splits and Gum powder) in August 2014 which was 37000 tons exported in the same period last year.

Demand Side of Guar and Guar Gum:

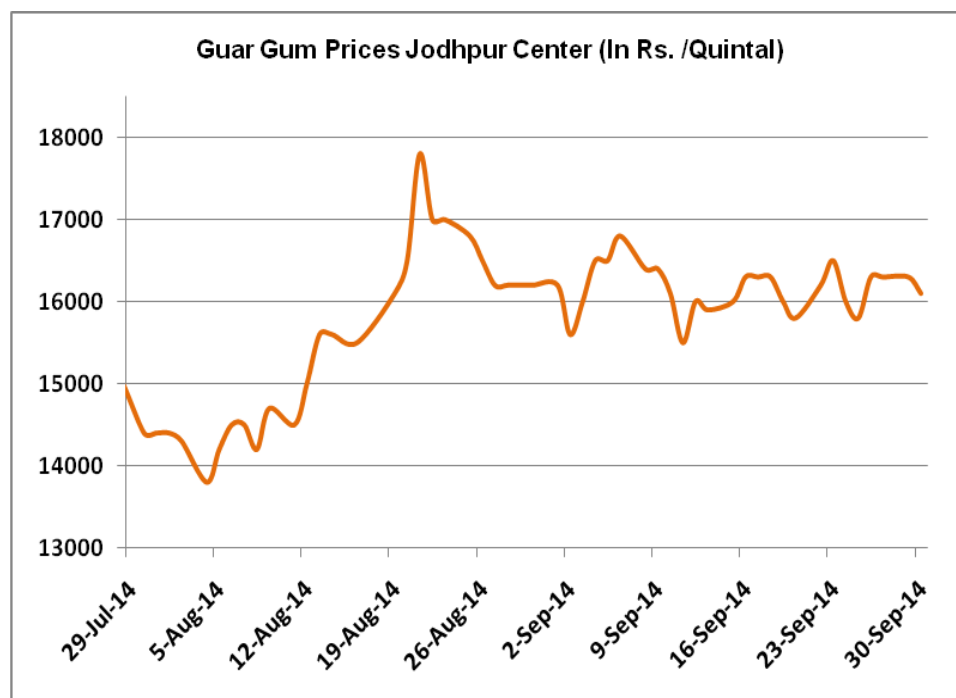
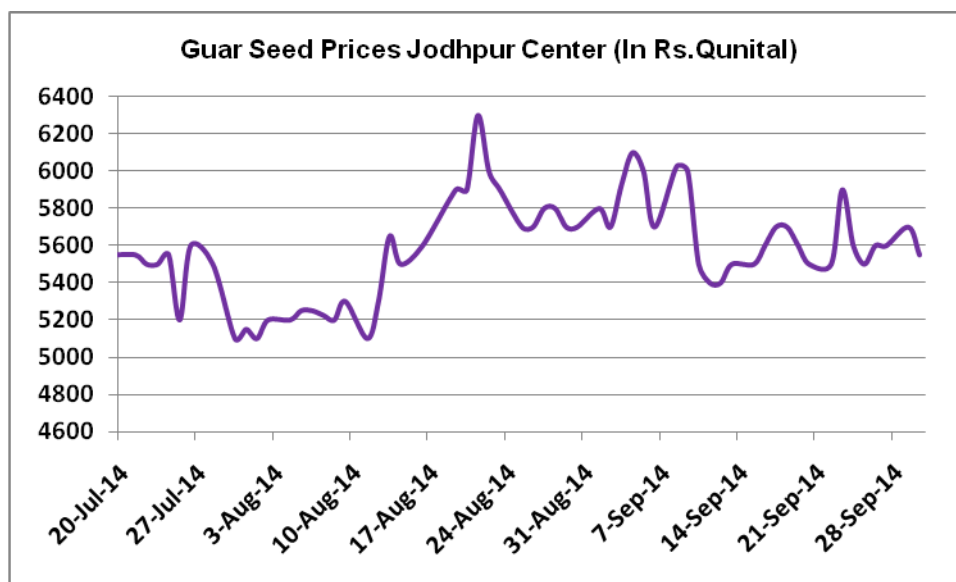
On export front, demand of guar products are decreasing on M-o-M basis. However, increase in production of crude oil likely to give boost to the guar gum demand as expected.

Below is the Rupee Monthly movement and its impact on monthly guar products export figures.

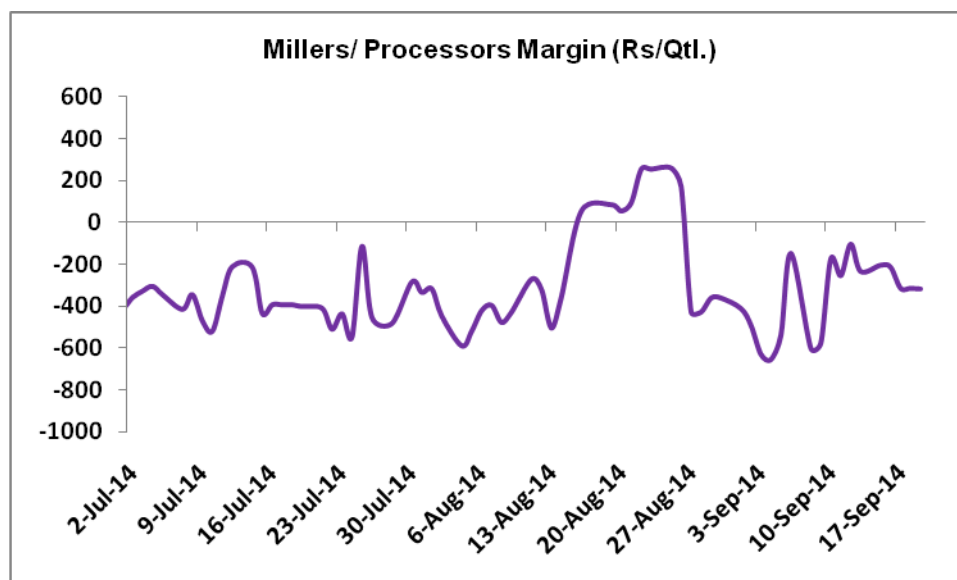


Price Scenario

In the last week of Sept, the average price of guar seed declined by 1% to Rs.5550/Qtl compared to prior week. Also, guar gum prices surged slightly last week by 0.1% to Rs.16120/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	27th Sept.- 1th Oct.	19th To 26th Sept.	Change
Churi	Jodhpur	876	897	-21
Korma	Jodhpur	1194	1297	-103
Churi	Sri-Ganganagar	840	850	-10
Korma	Sri-Ganganagar	1197	1200	-3
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	27th Sept.- 1th Oct.	19th To 26th Sept.	Change
Guargum Split		2581	2621	-40
Guargum Powder	200 Mesh 5000 CPS	2907	2938	-31
	200 Mesh 3500 CPS	2825	2878	-53
Guargum Meal	40%	265	265	Unch
	50%	350	353	-3

Prices in \$/MT

Commodity	Centre	Weekly Prices (Average)		Change
		27th Sept.-1th Oct.	19th To 26th Sept.	
	Guar Seeds			
Rajasthan	Jodhpur (Loose)	5288	5300	-12
	Jodhpur(Delivery)	5588	5600	-12
	Sri-Ganganagar(Loose)	5350	5380	-30
	Sri-Ganganagar (Delivery)	5550	5567	-17
	Nagaur (Loose)	5163	5254	-91
	Alwar (loose)	5200	5200	Unch
	Churu (Delivery)	5483	5554	-71
	Bikaner (Loose)	5275	5392	-117
	Bikaner (Delivery)	5463	5563	-100
	Khajuwala Bikaner (Loose)	5258	5354	-96
	Khajuwala Bikaner(Delivery)	5471	5568	-97
	Nokha(Loose)	5258	5367	-109
	Nokha (Delivery)	5447	5556	-109
	Hanumangarh (Loose)	5250	5350	-100
	Hanumangarh (Delivery)	5450	5528	-78
Haryana	Adampur (Loose)	5325	5425	-100
	Adampur (Delivery)	5500	5583	-83
	Sirsa (Loose)	5275	5404	-129
	Bhiwani (Delivery)	5455	5608	-153
	Dhabwali (Loose)	5275	5315	-40
	Dhabwali (Delivery)	5463	5513	-50
	Siwani (Loose)	5463	5558	-95
	Ellanabad (Loose)	5340	5463	-123
Gujarat	Deesa (Loose)	5125	5202	-77
	Patan (Loose)	5123	5282	-159
	Rajkot (Loose)	5224	5258	-34
Madhya pradesh	Dabra (Loose)	4350	4483	-133
	Guar Gum			
Rajasthan	Jodhpur	16150	16133	17
	Alwar	16100	16017	83
Haryana	Sirsa	15850	15983	-133
	Bhiwani	15600	16033	-433
	Dhabwali	15888	16042	-154
	Ellanabad	15967	16075	-108

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	1-Oct-14	26-Sep-14	1-Aug-14	1-Sep-13
Rajasthan	Jodhpur (Loose)	5200	5200	4800	7000
	Jodhpur(Delivery)	5500	5400	5100	8000
	Sri-Ganganagar(Loose)	5250	5400	4850	7600
	Sri-Ganganagar (Delivery)	5450	5550	5100	7800
	Nagaur (Loose)	5000	5250	4900	7000
	Alwar (loose)	5200	5200	4650	4200
	Churu (Delivery)	5500	5600	NR	4800
	Bikaner (Loose)	5250	5450	5350	8400
	Bikaner (Delivery)	5450	5500	5550	5600
	Khajuwala Bikaner (Loose)	5130	5450	5350	7500
	Khajuwala Bikane(Delivery)	5335	5668	5564	7904
	Nokha(Loose)	5150	NR	5300	7800
	Nokha (Delivery)	5335	NR	5491	8080
	Hanumangarh (Loose)	5150	5400	5400	7100
	Hanumangarh (Delivery)	5350	5600	5600	7500
Haryana	Adampur (Loose)	5200	5400	5000	7900
	Adampur (Delivery)	5400	5550	5200	8200
	Sirsa (Loose)	5150	5425	5000	6800
	Bhiwani (Delivery)	5350	5600	5100	7800
	Dhabwali (Loose)	5250	5300	4900	7840
	Dhabwali (Delivery)	5400	5500	5100	8000
	Siwani (Loose)	5350	5500	5100	7500
	Ellanabad (Loose)	5200	5400	5045	8000
Gujarat	Deesa (Loose)	5005	5250	4750	6600
	Patan (Loose)	5005	NA	4820	6255
	Rajkot (Loose)	5160	5275	4765	5200
Madhya pradesh	Dabra (Loose)	3800	4800	4700	5500
Guar Gum					
Rajasthan	Jodhpur	15900	16000	14400	21500
	Alwar	16000	16000	14200	13300
Haryana	Sirsa	15600	16000	14000	17000
	Bhiwani	15500	15800	14500	21000
	Dhabwali	15500	15800	14300	21000
	Ellanabad	15900	16000	15600	22000

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		27th Sept.- 1th Oct.	19th To 26th Sept.	
Rajasthan	Jodhpur	500	3000	-2500
	Sri-Ganganagar	8667	7200	1467
	Nagaur	750	3250	-2500
	Alwar	450	1800	-1350
	Churu	933	4300	-3367
	Bikaner	1250	4600	-3350
	Khajuwala Bikaner	425	2150	-1725
	Nokha	575	7000	-6425
	Hanumangarh	1475	2500	-1025
Haryana	Adampur	4250	11700	-7450
	Sirsa	2875	7100	-4225
	Bhiwani	2000	7400	-5400
	Dhabwali	975	2400	-1425
	Siwani	1750	6600	-4850
	Ellanabad	633	3300	-2667
Gujarat	Deesa	158	882	-724
	Patan (Loose)	140	628	-488
	Rajkot	851	6650	-5799
Madhya pradesh	Dabra	136	720	-584
Total Arrival		28793	83180	-54387

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.

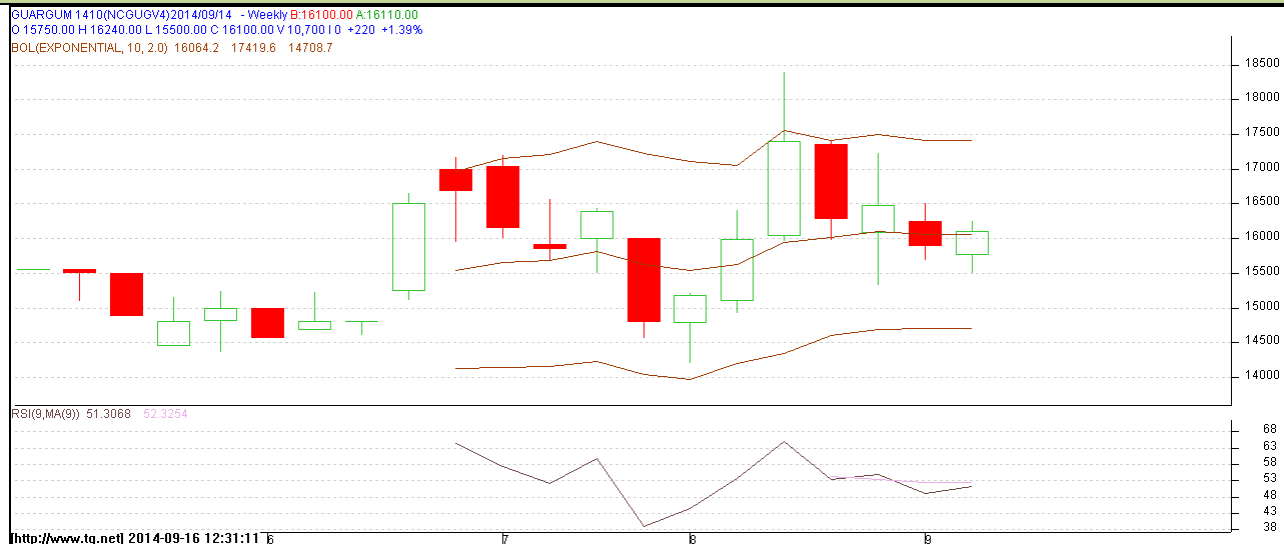
Strategy: Sell from support levels

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	5054	5250	5597	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Sell	Below 5600	5400	5300	5720

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	Sell	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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