

**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.
- Reportedly, 40% less yield in Haryana region for guar seed. Lower rainfall become the major factor for lesser yield.
- Crop quality in Ganganagar region remained good due to even rainfall as reported. Expectedly, farmers will get 4 quintal per bigha yield from guar this season.
- With increasing guar arrivals in key markets, recent hike in prices would curb in the coming days as expected.
- Guar crop is drying in Barmer region due to warmer days and lack of rainfall which affect the yield. According to estimates, guar yield would lie between 30-50 kg per bigha which normally comes at 1 quintal per bigha in Barmer district.
- 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.

**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 2500 bags of guar seed last week which was around 2700 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (19000 bags) compared to prior week i.e. 16000bags.

**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.

In addition to it, crop is drying in Barmer region due to warmer days and lack of rainfall which affect the yield. According to estimates, guar yield would lie between 30-50 kg per bigha which normally comes at 1 quintal per bigha in Barmer district. It is notable that Barmer district contributes good amount of guar seed production in the state.

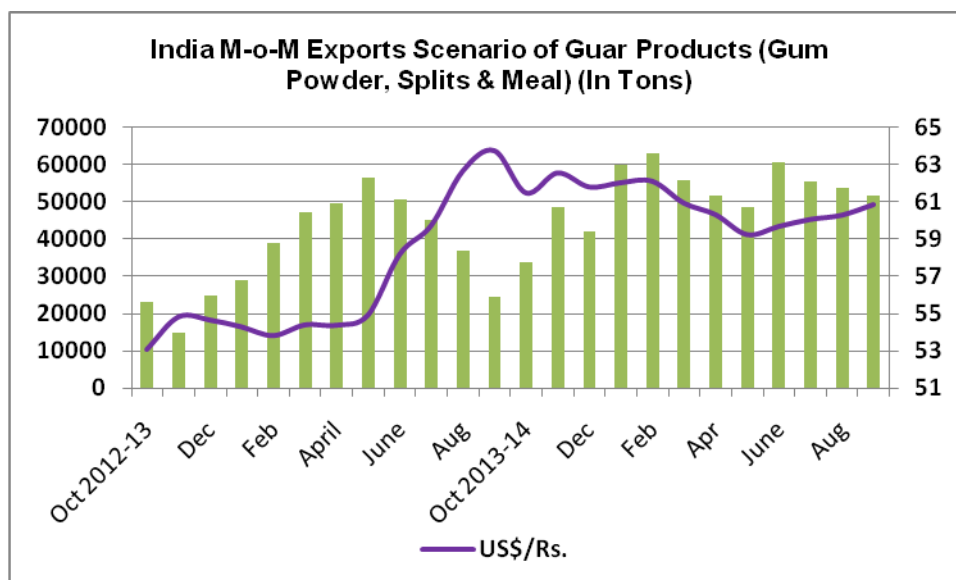
### Export and Import Scenario

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.

### Demand Side of Guar and Guar Gum:

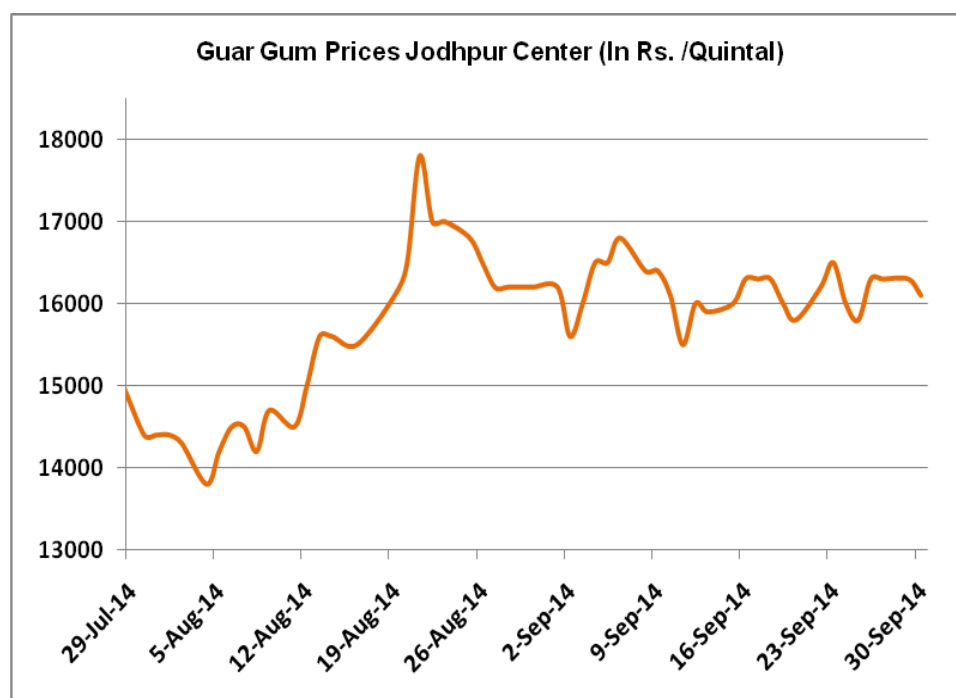
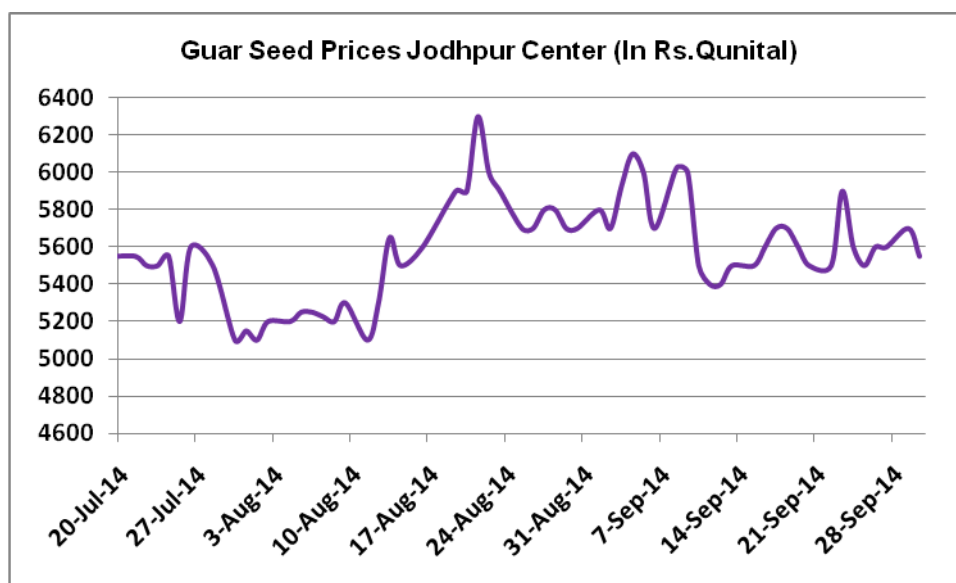
On export front, demand of guar products are decreasing on M-o-M basis. However, increase in production of crude oil likely to give boost to the guar gum demand as expected.

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

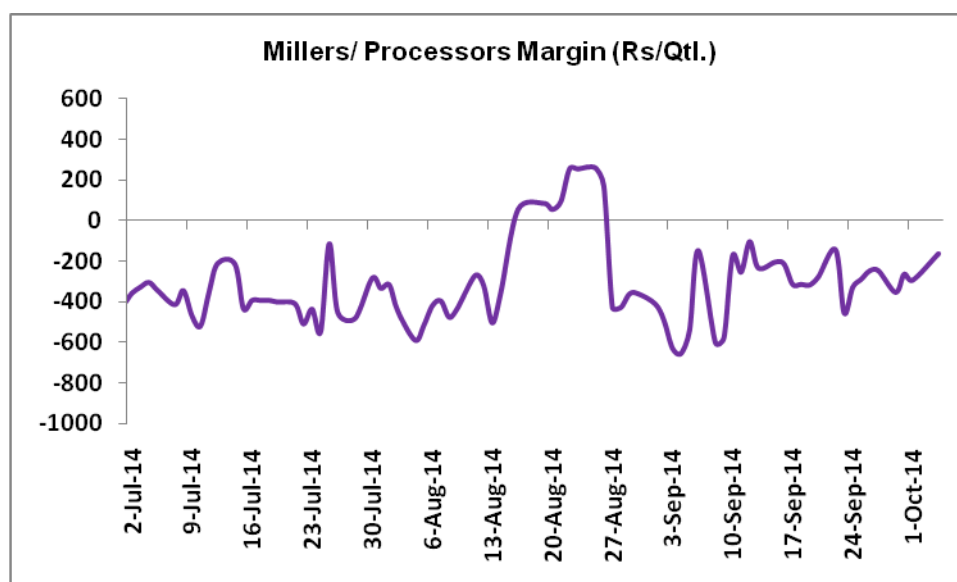


### Price Scenario

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 fourth week of Sept 2014, average crush margin stood at Rs. -264/Quintal which was -289 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	4th Oct.- 10th Oct.	27th Sept.- 1th Oct.	Change
Churi	Jodhpur	861	876	-15
Korma	Jodhpur	1155	1194	-39
Churi	Sri-Ganganagar	822	840	-18
Korma	Sri-Ganganagar	1147	1197	-50
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	4th Oct.- 10th Oct.	27th Sept.- 1th Oct.	Change
Guargum Split		2580	2581	-1
Guargum Powder	200 Mesh 5000 CPS	2906	2907	-1
	200 Mesh 3500 CPS	2825	2825	Unch
Guargum Meal	40%	273	265	8
	50%	347	350	-3
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		4th Oct.-10th Oct.	27th Sept.-1st Oct.	
	<b>Guar Seeds</b>			
Rajasthan	Jodhpur (Loose)	5283	5288	-5
	Jodhpur(Delivery)	5583	5588	-5
	Sri-Ganganagar(Loose)	5200	5350	-150
	Sri-Ganganagar (Delivery)	5400	5550	-150
	Nagaur (Loose)	5317	5163	154
	Alwar (loose)	5100	5200	-100
	Churu (Delivery)	5400	5483	-83
	Bikaner (Loose)	5329	5275	54
	Bikaner (Delivery)	5529	5463	66
	Khajuwala Bikaner (Loose)	5268	5258	10
	Khajuwala Bikaner(Delivery)	5479	5471	8
	Nokha(Loose)	5374	5258	116
	Nokha (Delivery)	5567	5447	120
	Hanumangarh (Loose)	5260	5250	10
	Hanumangarh (Delivery)	5425	5450	-25
Haryana	Adampur (Loose)	5275	5325	-50
	Adampur (Delivery)	5467	5500	-33
	Sirsa (Loose)	5274	5275	-1
	Bhiwani (Delivery)	5463	5455	8
	Dhabwali (Loose)	5208	5275	-67
	Dhabwali (Delivery)	5391	5463	-72
	Siwani (Loose)	5429	5463	-34
	Ellanabad (Loose)	5340	5340	Unch
Gujarat	Deesa (Loose)	4600	5125	-525
	Patan (Loose)	4387	5123	-736
	Rajkot (Loose)	4563	5224	-661
Madhya pradesh	Dabra (Loose)	3960	4350	-390
	<b>Guar Gum</b>			
Rajasthan	Jodhpur	16100	16150	-50
	Alwar	15833	16100	-267
Haryana	Sirsa	15942	15850	92
	Bhiwani	15967	15600	367
	Dhabwali	15813	15888	-75
	Ellanabad	16040	15967	73

**Week on Week Price: Scenario of Guarseed and Guargum:**

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	10-Oct-14	1-Oct-14	10-Sep-14	10-Oct-13
Rajasthan	Jodhpur (Loose)	5300	5200	5300	5500
	Jodhpur(Delivery)	5600	5500	5500	5900
	Sri-Ganganagar(Loose)	5200	5250	5525	6000
	Sri-Ganganagar (Delivery)	5400	5450	5650	6300
	Nagaur (Loose)	5300	5000	5250	5500
	Alwar (loose)	5100	5200	5200	5500
	Churu (Delivery)	5400	5500	5600	6000
	Bikaner (Loose)	5450	5250	5450	5600
	Bikaner (Delivery)	5650	5450	5600	6100
	Khajuwala Bikaner (Loose)	5350	5130	5450	6000
	Khajuwala Bikaner(Delivery)	5564	5335	5668	6240
	Nokha(Loose)	5450	5150	5400	5400
	Nokha (Delivery)	5646	5335	5594	5594
	Hanumangarh (Loose)	5300	5150	5450	5850
	Hanumangarh (Delivery)	5500	5350	5650	6050
Haryana	Adampur (Loose)	5300	5200	5450	6100
	Adampur (Delivery)	5500	5400	5600	6500
	Sirsa (Loose)	5317	5150	5500	5800
	Bhiwani (Delivery)	5550	5350	5600	5800
	Dhabwali (Loose)	5350	5250	5400	5700
	Dhabwali (Delivery)	5550	5400	5550	6000
	Siwani (Loose)	5525	5350	5575	6050
	Ellanabad (Loose)	NR	5200	5500	6000
Gujarat	Deesa (Loose)	5225	5005	5250	5500
	Patan (Loose)	5085	5005	5155	5810
	Rajkot (Loose)	5110	5160	5350	5950
Madhya pradesh	Dabra (Loose)	4700	3800	4800	NA
Guar Gum					
Rajasthan	Jodhpur	16100	15900	16100	16000
	Alwar	15833	16000	16200	16000
Haryana	Sirsa	16200	15600	16200	15500
	Bhiwani	16000	15500	16000	15500
	Dhabwali	16150	15500	16200	16000
	Ellanabad	NR	15900	15900	16000

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)		Change
		4th Oct.-	27th Sept.-

		10th Oct.	1th Oct.	
Rajasthan	Jodhpur	483	500	-17
	Sri-Ganganagar	11967	8667	3300
	Nagaur	575	750	-175
	Alwar	433	450	-17
	Churu	917	933	-16
	Bikaner	1167	1250	-83
	Khajuwala Bikaner	450	425	25
	Nokha	530	575	-45
	Hanumangarh	850	1475	-625
Haryana	Adampur	3333	4250	-917
	Sirsa	3750	2875	875
	Bhiwani	2500	2000	500
	Dhabwali	3333	975	2358
	Siwani	1583	1750	-167
	Ellanabad	1140	633	507
Gujarat	Deesa	385	158	227
	Patan (Loose)	211	140	71
	Rajkot	828	851	-23
Madhya pradesh	Dabra	52	136	-84
Total Arrival		34487	28793	5694

Commodity: Guar Seed 10MT  
Contract: Nov

Exchange: NCDEX  
Expiry: Nov 20, 2014

## Guar Seed 10MT (Weekly Nov 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

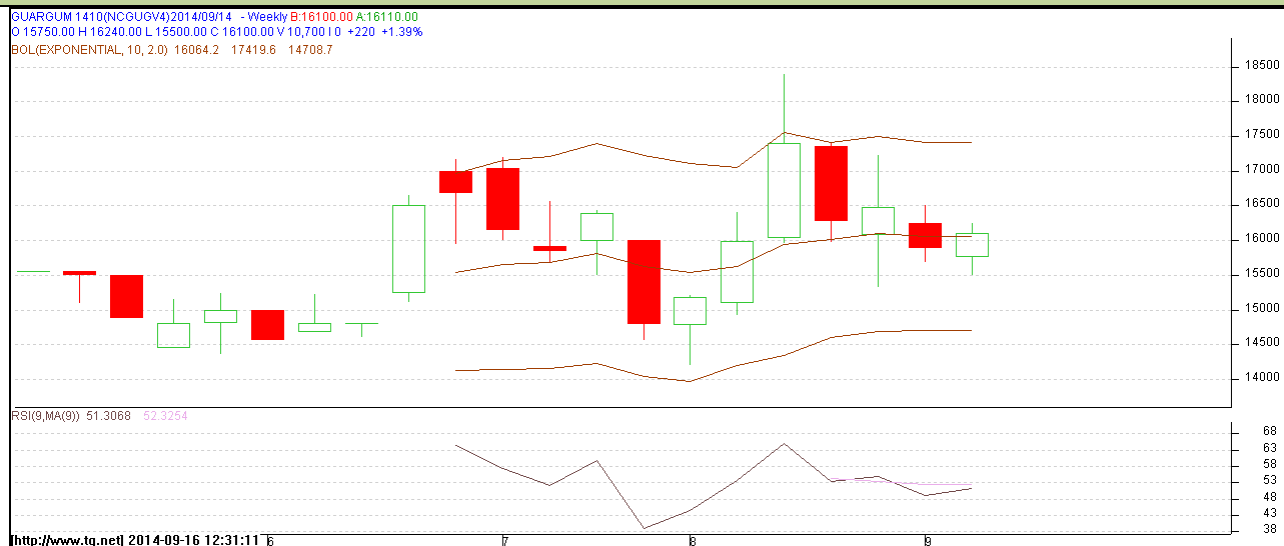
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Nov	5054	5250	5734	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Nov	<b>Sell</b>	Below 5800	5500	5350	5950



Commodity: Guar Gum  
Contract: Nov

Exchange: NCDEX  
Expiry: Nov 20, 2014

### Guar Gum (Nov 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	Nov	14200	15105	15880	17200	18350
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov	<b>Sell</b>	Below 16300	15900	15700	16540

**Spot Market Outlook:**

Prices of guar seed and gum are moving in a range with weaker tone from last couple of weeks over increasing guar arrivals and good spot demand in the 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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