

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.
- Guar seed arrivals continuously increasing specially in markets like Rajasthan & Haryana which is likely to pressurize guar seed as well as gum prices.
- Crop situation of guar seed in Gujarat seems satisfactory with good rainfall during 1st week of September which ensure good yield especially in Kutch and Sabarkantha regions.
- Trade houses and traders are now giving the estimates of 1.3-1.5 crore bags of guar production for 2014-15 in the recent Guar International conference held in Jaipur. However, as per Agriwatch, guar production likely to reach 1.7-1.9 crore bags for 2014-15 as expected.
- 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.

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 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.

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.

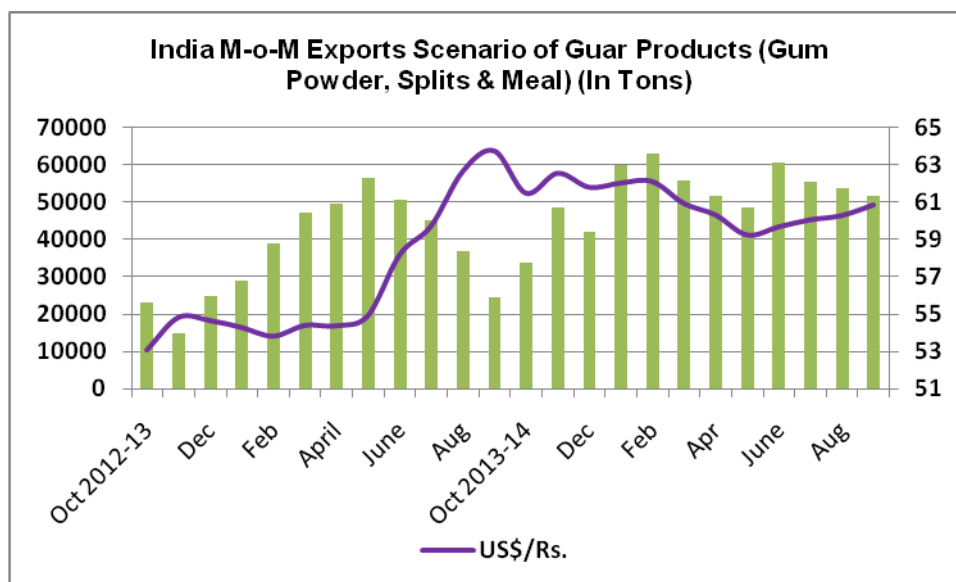
Export and Import Scenario

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:

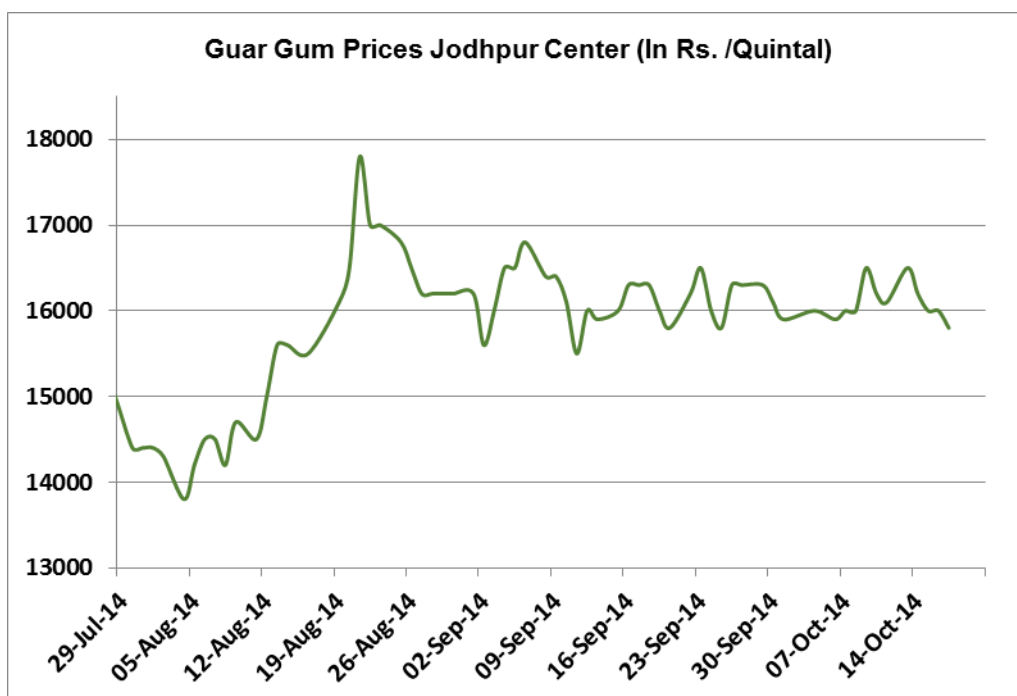
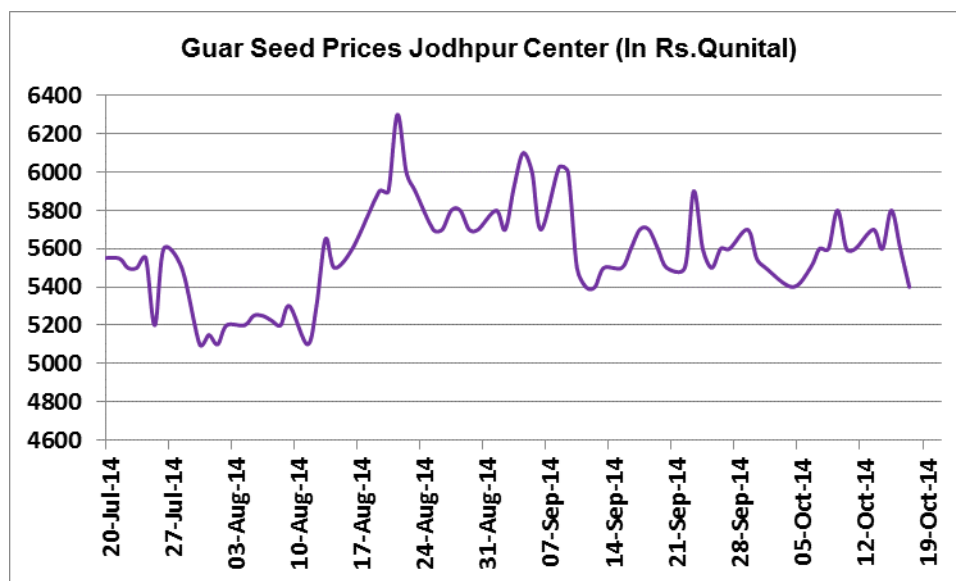
On export front, demand of guar products are decreasing on M-o-M basis. However, increase in production of crude oil likely to give boost to the guar gum demand as expected.

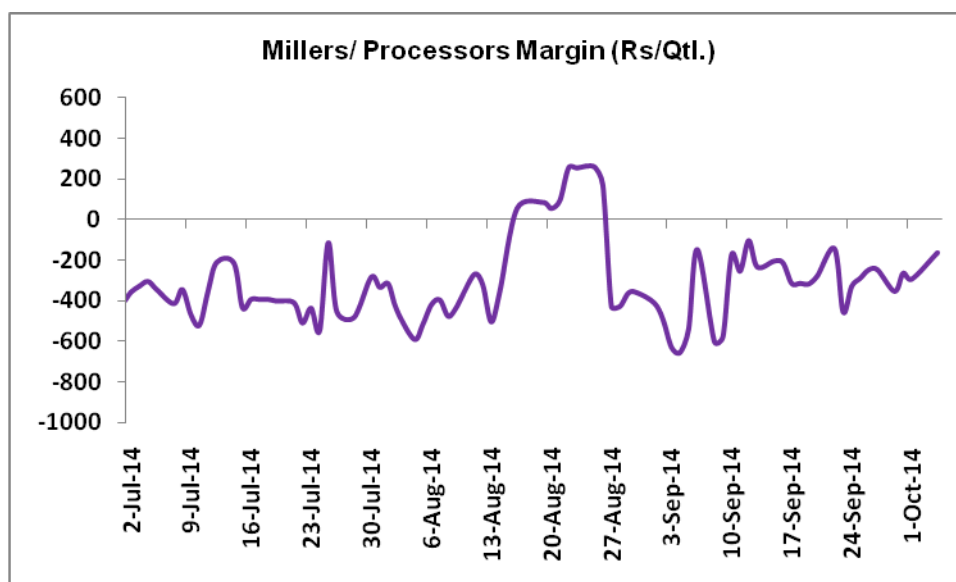
Below is the Rupee Monthly movement and its impact on monthly guar products export figures.



Price Scenario

In the second week of Sept, the average price of guar seed declined by 0.1% to Rs.5616/Qtl compared to prior week. Also, guar gum prices declined slightly last week by 0.1% to Rs.16100/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 Oct 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 | 11th Oct.- 17th Oct. | 4th Oct.- 10th Oct. | Change |
|-------------------|----------------|-------------------------|------------------------|--------|
| Churi | Jodhpur | 900 | 861 | 39 |
| Korma | Jodhpur | 1217 | 1155 | 62 |
| Churi | Sri-Ganganagar | 800 | 822 | -22 |
| Korma | Sri-Ganganagar | 1175 | 1147 | 28 |
| Prices in Rs/75kg | | | | |

Guar Export Weekly Average Prices:

| Commodity | Variety | 11th Oct.- 17th Oct. | 4th Oct.- 10th Oct. | Change |
|-----------------------|-------------------|-------------------------|------------------------|--------|
| Guargum Split | | 2619 | 2580 | 39 |
| Guargum Powder | 200 Mesh 5000 CPS | 2946 | 2906 | 40 |
| | 200 Mesh 3500 CPS | 2864 | 2825 | 39 |
| Guargum Meal | 40% | 253 | 273 | -20 |
| | 50% | 340 | 347 | -7 |
| Prices in \$/MT | | | | |

| Commodity | Centre | Weekly Prices (Average) | | Change |
|----------------|-----------------------------|-------------------------|--------------------|--------|
| | | 11th Oct.-17th Oct. | 4th Oct.-10th Oct. | |
| | Guar Seeds | | | |
| Rajasthan | Jodhpur (Loose) | 5333 | 5283 | 50 |
| | Jodhpur(Delivery) | 5617 | 5583 | 34 |
| | Sri-Ganganagar(Loose) | 5318 | 5200 | 118 |
| | Sri-Ganganagar (Delivery) | 5508 | 5400 | 108 |
| | Nagaur (Loose) | 5287 | 5317 | -30 |
| | Alwar (loose) | 5125 | 5100 | 25 |
| | Churu (Delivery) | 5425 | 5400 | 25 |
| | Bikaner (Loose) | 5329 | 5329 | Unch |
| | Bikaner (Delivery) | 5529 | 5529 | Unch |
| | Khajuwala Bikaner (Loose) | 5582 | 5268 | 314 |
| | Khajuwala Bikaner(Delivery) | 5493 | 5479 | 14 |
| | Nokha(Loose) | 5402 | 5374 | 28 |
| | Nokha (Delivery) | 5599 | 5567 | 32 |
| | Hanumangarh (Loose) | 5250 | 5260 | -10 |
| | Hanumangarh (Delivery) | 5458 | 5425 | 33 |
| Haryana | Adampur (Loose) | 5320 | 5275 | 45 |
| | Adampur (Delivery) | 5520 | 5467 | 53 |
| | Sirsa (Loose) | 5368 | 5274 | 94 |
| | Bhiwani (Delivery) | 5515 | 5463 | 52 |
| | Dhabwali (Loose) | 5308 | 5208 | 100 |
| | Dhabwali (Delivery) | 5508 | 5391 | 117 |
| | Siwani (Loose) | 5460 | 5429 | 31 |
| | Ellanabad (Loose) | 5316 | 5340 | -24 |
| Gujarat | Deesa (Loose) | 4517 | 4600 | -83 |
| | Patan (Loose) | 4345 | 4387 | -42 |
| | Rajkot (Loose) | 4645 | 4563 | 82 |
| Madhya pradesh | Dabra (Loose) | 3840 | 3960 | -120 |
| | Guar Gum | | | |
| Rajasthan | Jodhpur | 16100 | 16100 | Unch |
| | Alwar | 16075 | 15833 | 242 |
| Haryana | Sirsa | 16010 | 15942 | 68 |
| | Bhiwani | 16100 | 15967 | 133 |
| | Dhabwali | 16013 | 15813 | 200 |
| | Ellanabad | 16040 | 16040 | Unch |

Week on Week Price: Scenario of Guarseed and Guargum:

| Commodity | Centre | Today | Week ago | Month ago | Year ago |
|----------------|-----------------------------|-----------|-----------|-----------|-----------|
| | Guar Seeds | 17-Oct-14 | 10-Oct-14 | 17-Sep-14 | 17-Oct-13 |
| Rajasthan | Jodhpur (Loose) | 5100 | 5300 | 5400 | 5000 |
| | Jodhpur(Delivery) | 5400 | 5600 | 5700 | 5300 |
| | Sri-Ganganagar(Loose) | 5210 | 5200 | 5480 | 5050 |
| | Sri-Ganganagar (Delivery) | 5400 | 5400 | 5650 | 5200 |
| | Nagaur (Loose) | 5300 | 5300 | 5250 | 5200 |
| | Alwar (loose) | 5000 | 5100 | 5300 | 4500 |
| | Churu (Delivery) | 5250 | 5400 | 5700 | 5000 |
| | Bikaner (Loose) | 5250 | 5450 | 5500 | 5250 |
| | Bikaner (Delivery) | 5450 | 5650 | 5700 | 5500 |
| | Khajuwala Bikaner (Loose) | 5150 | 5350 | 5400 | 5250 |
| | Khajuwala Bikaner(Delivery) | 5356 | 5564 | 5616 | 5460 |
| | Nokha(Loose) | Closed | 5450 | 5400 | 5000 |
| | Nokha (Delivery) | Closed | 5646 | 5570 | 5180 |
| | Hanumangarh (Loose) | 5150 | 5300 | 5400 | 5100 |
| | Hanumangarh (Delivery) | 5350 | 5500 | 5600 | 5200 |
| Haryana | Adampur (Loose) | 5200 | 5300 | 5500 | 5100 |
| | Adampur (Delivery) | 5400 | 5500 | 5650 | 5300 |
| | Sirsa (Loose) | 5300 | 5317 | 5425 | 5000 |
| | Bhiwani (Delivery) | 5400 | 5550 | 5700 | 5000 |
| | Dhabwali (Loose) | Closed | 5350 | 5425 | 5000 |
| | Dhabwali (Delivery) | Closed | 5550 | 5650 | 5300 |
| | Siwani (Loose) | 5350 | 5525 | 5600 | 5200 |
| | Ellanabad (Loose) | 5200 | NR | 5500 | 5150 |
| Gujarat | Deesa (Loose) | 5000 | 5225 | 5255 | 5050 |
| | Patan (Loose) | 4935 | 5085 | 5495 | 5485 |
| | Rajkot (Loose) | 5130 | 5110 | 5325 | 5375 |
| Madhya pradesh | Dabra (Loose) | 4600 | 4700 | 4500 | NA |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | 15800 | 16100 | 16300 | 14000 |
| | Alwar | 15800 | 15833 | 16200 | 14000 |
| Haryana | Sirsa | 15700 | 16200 | 16300 | 13000 |
| | Bhiwani | 15700 | 16000 | 16750 | 14800 |
| | Dhabwali | Closed | 16150 | 16200 | 14200 |
| | Ellanabad | 15800 | NR | 16100 | 14200 |

Guar Cumulative Arrivals in Key Centers

| Centre | Weekly Arrivals (Quintals) | | Change |
|--------|----------------------------|---------------|--------|
| | 11th Oct.- | 4th Oct.-10th | |

| | | 17th Oct. | Oct. | |
|----------------|-------------------|-----------|--------|-------|
| Rajasthan | Jodhpur | 3200 | 2900 | 300 |
| | Sri-Ganganagar | 69000 | 71800 | -2800 |
| | Nagaur | 2900 | 3450 | -550 |
| | Alwar | 2600 | 2600 | Unch |
| | Churu | 6200 | 5500 | 700 |
| | Bikaner | 9000 | 7000 | 2000 |
| | Khajuwala Bikaner | 3600 | 2700 | 900 |
| | Nokha | 1500 | 2650 | -1150 |
| | Hanumangarh | 11000 | 5100 | 5900 |
| Haryana | Adampur | 16500 | 20000 | -3500 |
| | Sirsa | 30000 | 22500 | 7500 |
| | Bhiwani | 10500 | 15000 | -4500 |
| | Dhabwali | 5900 | 8550 | -2650 |
| | Siwani | 7500 | 9500 | -2000 |
| | Ellanabad | 5700 | 5700 | Unch |
| Gujarat | Deesa | 2249 | 720 | 1529 |
| | Patan (Loose) | 1167 | 1053 | 114 |
| | Rajkot | 6200 | 3310 | 2890 |
| Madhya pradesh | Dabra | 800 | 260 | 540 |
| Total Arrival | | 195516 | 190293 | 5223 |



Commodity: Guar Seed 10MT
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2014

Guar Seed 10MT (Weekly Nov Contract Chart)



Technical Commentary:

- Guar prices are moving near to very crucial levels.
- RSI is moving towards neutral region.
- Last candlestick depicts bullishness in the market.

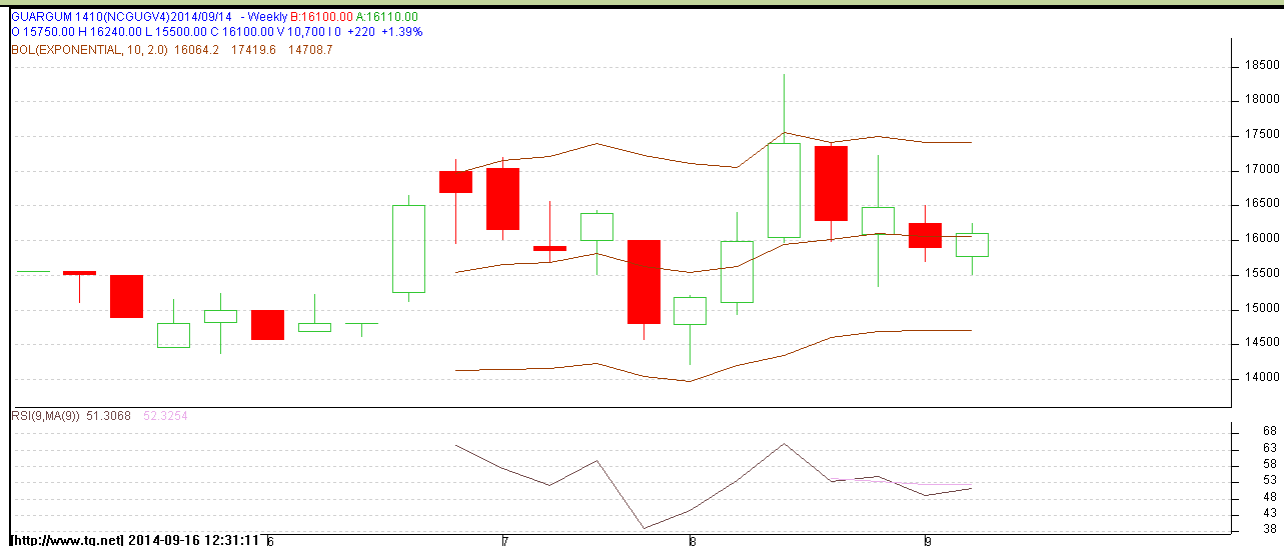
Strategy: Buy from support levels.

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|-----|------|------------|------|------|------|
| Guar Seed 10MT | NCDEX | Nov | 5054 | 5250 | 5489 | 6260 | 6720 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed 10MT | NCDEX | Nov | Buy | Above 5400 | 5600 | 5700 | 5280 |

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: Buy

| 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 | Buy | Above 15800 | 16300 | 16550 | 15500 |

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.

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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