

Domestic Market Recap:

- Guar seed and gum prices moved steady to firm tone last week despite of increase in arrivals compared to prior week. Farmers are currently releasing their guar seed crop and hold other crops like cotton.
- No damage reported in Guar crop especially in Coastal region of Gujarat from recent Cyclone. Very scattered rainfall reported in these regions last week.
- Currently, traders and stockists are buying & accumulating guar seed with every decline in prices. On arrivals front, it has increased drastically from last couple of weeks. However, the pace of arrivals likely to break in the near term as farmers would stop releasing their stocks at lower rates which is likely to curb any major downside in the prices.
- However, considering lower guar production and good crushing margins to millers this year, prices of guar seed likely to take dead cat bounce movement in the coming months.
- Punters are trying to pull the market down from where they will buy additional quantity of guar seed at lower levels.
- Reportedly, total arrivals in India for guar seed is around 1.25 lac quintals. Out of Total arrivals, only Ganganagar region got 20000 quintals guar seed on Monday.

Current Market Dynamics

Guar seed average prices improved slightly last week despite of arrivals pressure in Ganganagar region. We expect prices to decline in the coming week owing to increasing arrival pressure. Meanwhile, 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 1300 bags of guar seed last week which was around 3200 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (13000 bags) compared to prior week i.e. 16500 bags.

Crop Update:

Gujarat:

Guar seed crop in Gujarat have not get affected with recent Nilofer cyclone. Some scattered rainfall in coastal regions of Gujarat reported.

However, overall crop is not so good in Banaskantha, Sabarkantha and Mehsana region. Late sowing and lack of rainfall at the time of Germination affected the crop much. Reportedly around 30% crop dry or damage due to lack of rainfall this year in Gujarat.

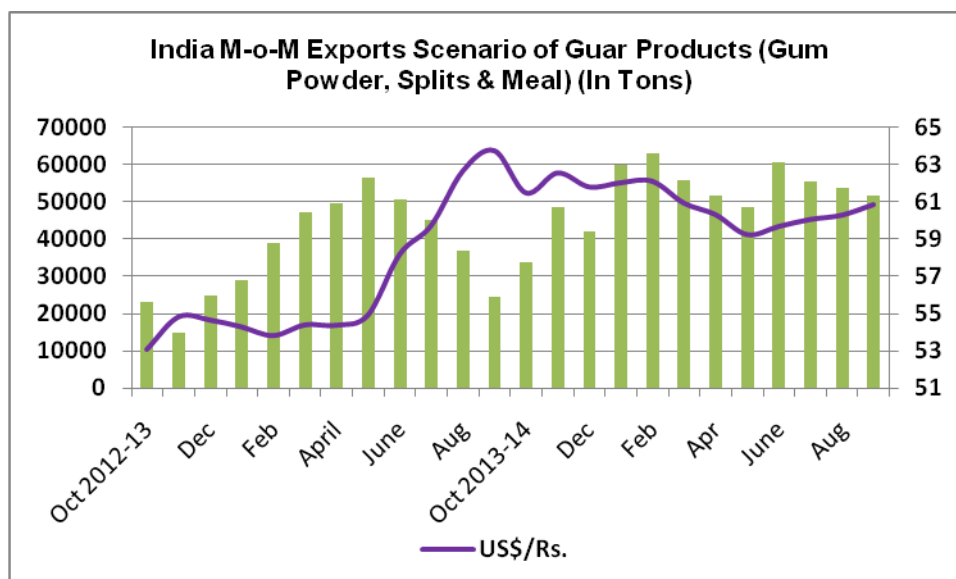
Export and Import Scenario

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:

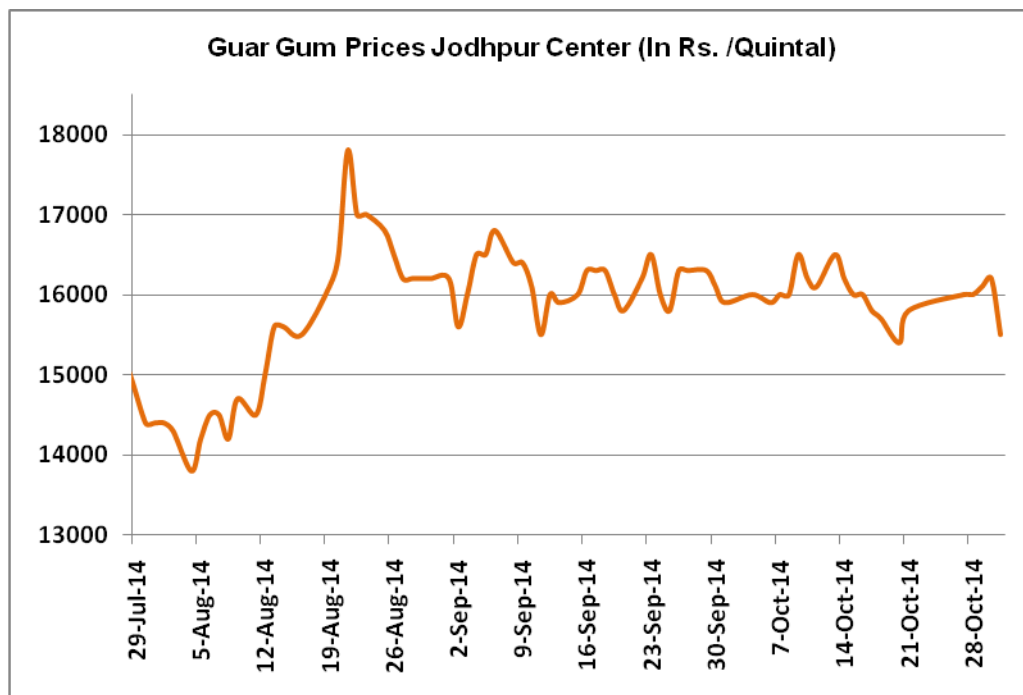
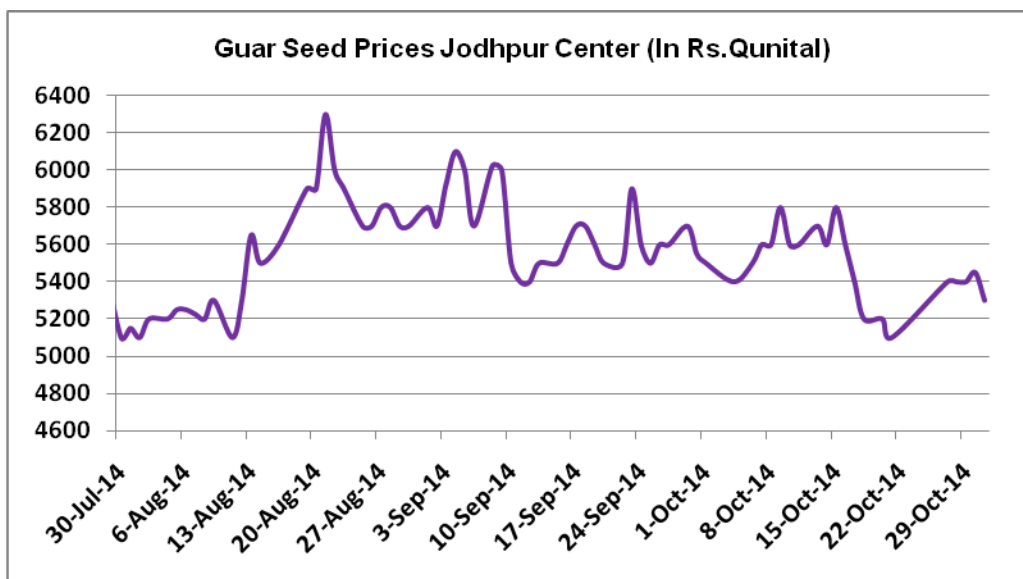
On export front, demand of guar products are decreasing on M-o-M basis. However, increase in production of crude oil likely to give boost to the guar gum demand as expected.

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

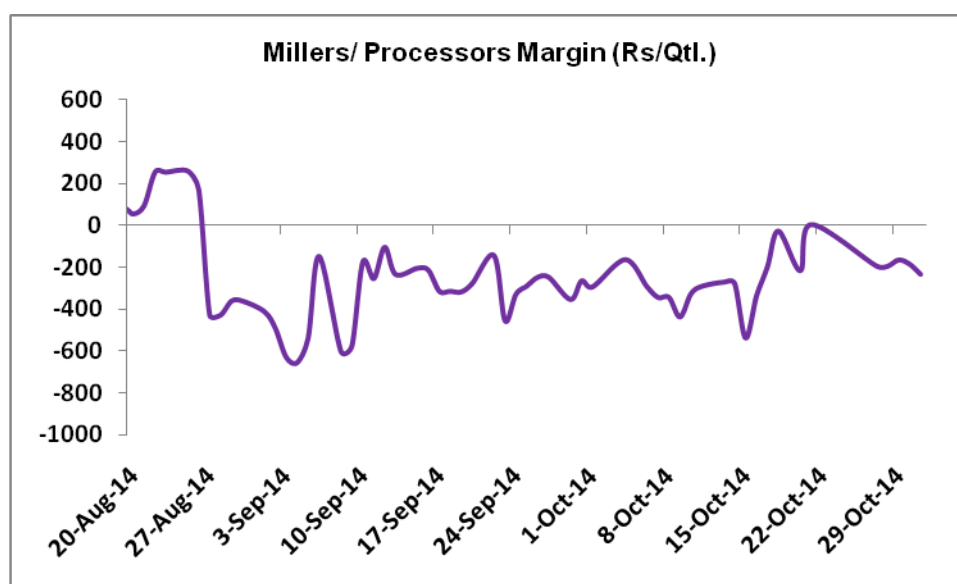


Price Scenario

In the fourth week of Oct, the average price of guar seed improved by 4% to Rs.5390/Qtl compared to prior week. Also, guar gum prices improved last week by 2% to Rs.15960/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 declined compared to previous week. In the fourth week of Oct 2014, average crush margin stood at Rs. -194.44/Quintal which was -79 per quintal last week. Higher degree of increase in guar seed average prices compared to guar gum prices led the margin down this week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	25th To 31st Oct 14	18th To 22th Oct. 14	Change
Churi	Jodhpur	835	813	22
Korma	Jodhpur	1075	1063	12
Churi	Sri-Ganganagar	790	767	23
Korma	Sri-Ganganagar	1015	1025	-10
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	25th To 31st Oct 14	18th To 22th Oct. 14	Change
Guargum Split	Guargum Split(Banaskantha)	2650	2549	101
Guargum Powder	200 Mesh 5000 CPS	2852	2875	-23
	200 Mesh 3500 CPS	2770	2794	-24
Guargum Meal	40%	237	245	-8

	50%	317	325	-8
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	25th To 31st Oct 14	18th To 22th Oct. 14	
Rajasthan	Jodhpur (Loose)	5190	5100	90
	Jodhpur(Delivery)	5390	5300	90
	Sri-Ganganagar(Loose)	5175	5050	125
	Sri-Ganganagar (Delivery)	5338	5233	105
	Nagaur (Loose)	5220	5125	95
	Alwar (loose)	5299	4900	399
	Churu (Delivery)	5220	5200	20
	Bikaner (Loose)	5240	5129	111
	Bikaner (Delivery)	5420	5300	120
	Khajuwala Bikaner (Loose)	5179	5103	76
	Khajuwala Bikane(Delivery)	5386	5307	79
	Nokha(Loose)	5225	5213	12
	Nokha (Delivery)	5413	5400	13
	Hanumangarh (Loose)	5145	5132	13
	Hanumangarh (Delivery)	5335	5283	52
Haryana	Adampur (Loose)	5183	5120	63
	Adampur (Delivery)	5367	5300	67
	Sirsa (Loose)	5195	5150	45
	Bhiwani (Delivery)	5337	5305	32
	Dhabwali (Loose)	5099	5122	-23
	Dhabwali (Delivery)	5264	5317	-53
	Siwani (Loose)	5304	5283	21
	Ellanabad (Loose)	5200	5113	87
Gujarat	Deesa (Loose)	5069	4755	314
	Patan (Loose)	5045	4865	180
	Rajkot (Loose)	5115	5087	28
Madhya pradesh	Dabra (Loose)	4500	4525	-25
	Guar Gum			
Rajasthan	Jodhpur	15960	15633	327
	Alwar	15720	15500	220
Haryana	Sirsa	15733	15475	258
	Bhiwani	15542	15500	42
	Dhabwali	15742	15600	142
	Ellanabad	15817	15875	-58

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	31-Oct-14	22-Oct-14	30-Sep-14	31-Oct-13
Rajasthan	Jodhpur (Loose)	5100	Closed	5250	5100
	Jodhpur(Delivery)	5300	Closed	5550	5500
	Sri-Ganganagar(Loose)	Closed	Closed	5400	5325
	Sri-Ganganagar (Delivery)	Closed	Closed	5600	5500
	Nagaur (Loose)	5200	Closed	5150	5100
	Alwar (loose)	5000	Closed	5150	4800
	Churu (Delivery)	5300	Closed	5450	5300
	Bikaner (Loose)	5150	5200	5250	5300
	Bikaner (Delivery)	5350	5400	5450	5550
	Khajuwala Bikaner (Loose)	5090	5125	5300	5250
	Khajuwala Bikaner(Delivery)	5294	5330	5512	5460
	Nokha(Loose)	5100	5200	5250	5200
	Nokha (Delivery)	5284	5387	5439	5387
	Hanumangarh (Loose)	5000	Closed	5250	5300
	Hanumangarh (Delivery)	5200	Closed	5450	5500
Haryana	Adampur (Loose)	5100	5100	5300	5300
	Adampur (Delivery)	5300	5300	5500	5500
	Sirsa (Loose)	5100	5150	5200	5200
	Bhiwani (Delivery)	5225	5300	5400	5450
	Dhabwali (Loose)	5035	5125	5300	5200
	Dhabwali (Delivery)	5235	5300	5500	5500
	Siwani (Loose)	5200	5300	5475	5350
	Ellanabad (Loose)	5150	5150	5450	5200
Gujarat	Deesa (Loose)	5000	Closed	5185	4575
	Patan (Loose)	Closed	Closed	5135	5075
	Rajkot (Loose)	Closed	Closed	5255	5375
Madhya pradesh	Dabra (Loose)	4500	4500	4500	5400
Guar Gum					
Rajasthan	Jodhpur	15500	Closed	16100	14800
	Alwar	15800	Closed	16000	14500
Haryana	Sirsa	15500	15600	15800	13500
	Bhiwani	15000	15500	15300	15000
	Dhabwali	15500	15500	16000	14800
	Ellanabad	15700	16000	16000	15500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		25th To 31st Oct 14	18th To 22th Oct. 14	
Rajasthan	Jodhpur	2300	1300	1000
	Sri-Ganganagar	65000	42000	23000
	Nagaur	3250	700	2550
	Alwar	79750	1800	77950
	Churu	6000	4500	1500
	Bikaner	13500	8000	5500
	Khajuwala Bikaner	4500	2050	2450
	Nokha	1900	1600	300
	Hanumangarh	15000	6700	8300
Haryana	Adampur	29000	13000	16000
	Sirsa	36500	20500	16000
	Bhiwani	13000	9000	4000
	Dhabwali	10000	5200	4800
	Siwani	26000	5500	20500
	Ellanabad	9300	4700	4600
Gujarat	Deesa	1558	214	1344
	Patan (Loose)	263	240	23
	Rajkot	1700	1685	15
Madhya pradesh	Dabra	500	350	150
Total Arrival		319021	129039	189982

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 bearishness in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Nov	4800	5150	5489	6260	6720
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Nov	Sell	Above 5600	5300	5150	5780

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	15005	15310	15750	16540	17026
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov	Sell	Below 16000	15600	15400	15500

Spot Market Outlook:

Fundamentally, prices of guar seed looks bullish for Medium term. According to Agriwatch price estimates, Guar seed could test 5150 and then 4700 (NCDEX Futures Nov Contract) in the near term from where punters would take the prices upto 7200-8000.

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