

Domestic Market Recap:

- Guar seed and gum prices declined sharply last week despite of lower arrivals compared to prior week.
- Punters are likely to play major game in guar seed considering next guar seed sowing. It is notable that water levels in reservoirs are not upto mark which unable farmers to plant guar seed in May especially in Ganganagar and Hanumangarh region which contributes major share of guar seed production.
- Major crop of guar seed yet to come from Bikaner Sikar and Jaisalmer region which likely to give a sharp downside in prices in the coming days ahead. We expect prices to test Rs 5300 per quintal in December month from where sharp downside is due.
- As per our expectations, Ganaganagar and Hanumangarh region produce good amount of production which prove right with recent arrivals data.
- With 80% of the guar seed crop arrived of Ganganagar and Hanumangarh region, prices are likely to stabilized in the coming days. However, still there is Central Rajasthan (Bikaner, Sikar, Churu) crop left to arrive in the markets.

Current Market Dynamics

Guar seed average prices declined slightly last week despite of weak arrivals 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 4600 bags of guar seed last week which was around 4400 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported lower arrivals (14500 bags) compared to prior week i.e. 11100 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.

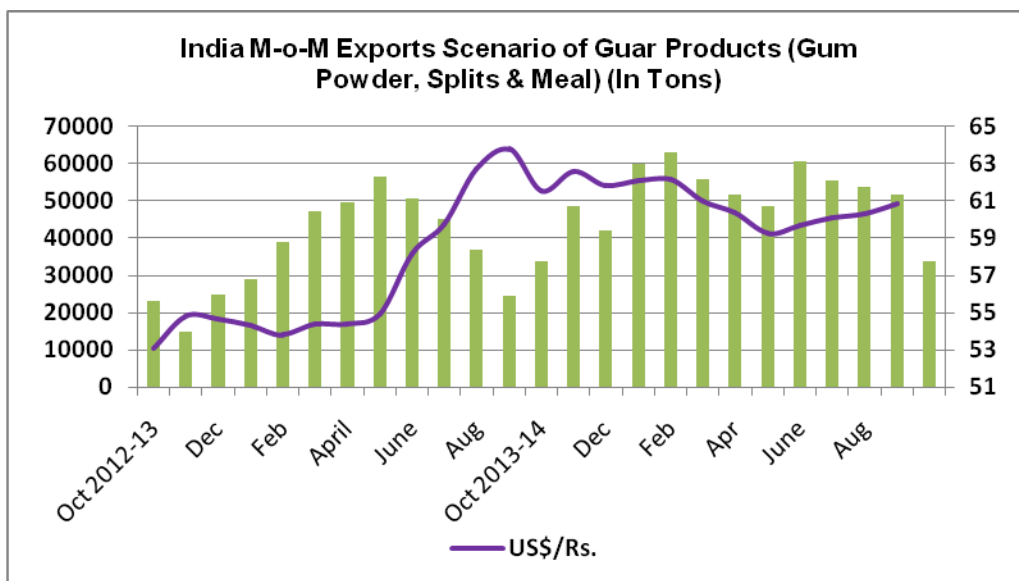
Export and Import Scenario

India has exported around 33867 tons of guar products (Splits, Meal & Powder) in October 2014. Out of the total guar seed export figures, around 9884 tons of Guar Meal, 7253 tons of Guar Splits and 16730 tons of Guar Gum Powder. It is notable that India has exported 51723 tons of Guar products in September 2014.

Demand Side of Guar and Guar Gum:

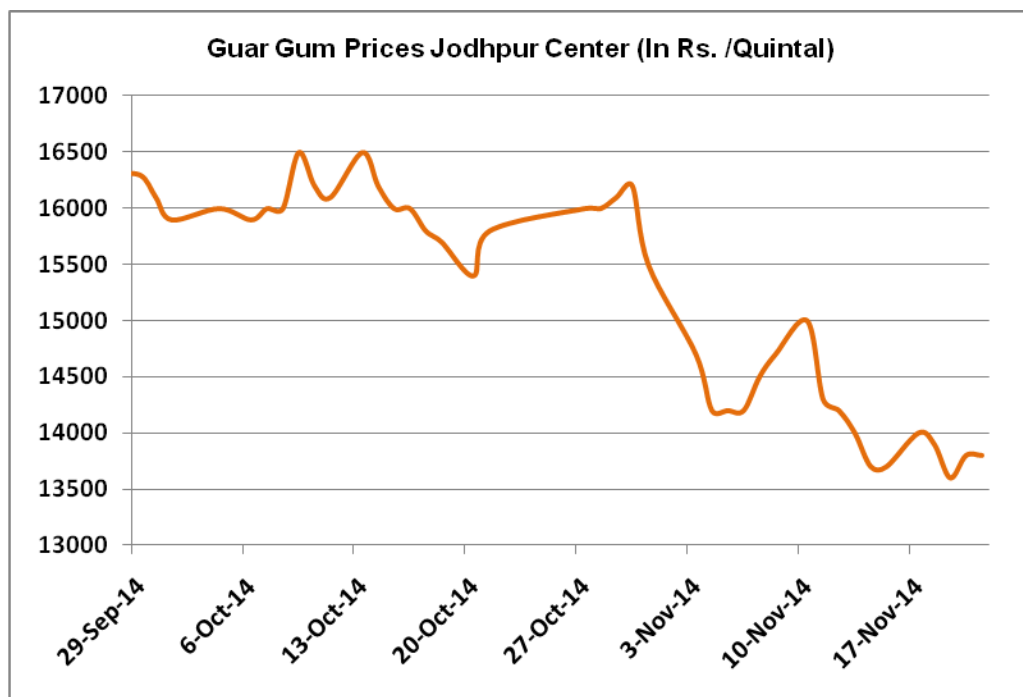
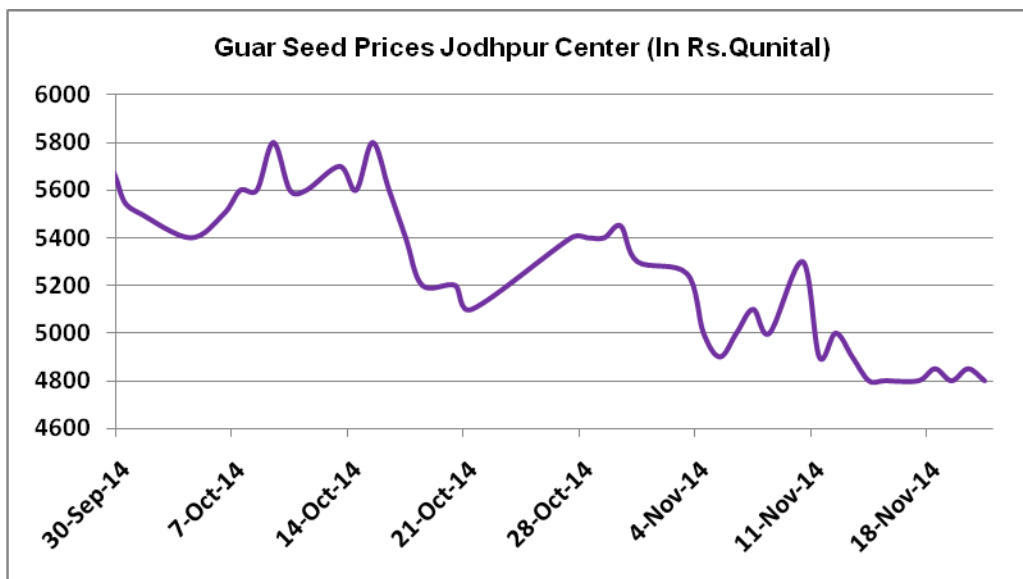
On export front, demands of guar products have decreased in October in line with depreciation in Rupee. Also, demand of guar products among major importers has increased.

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

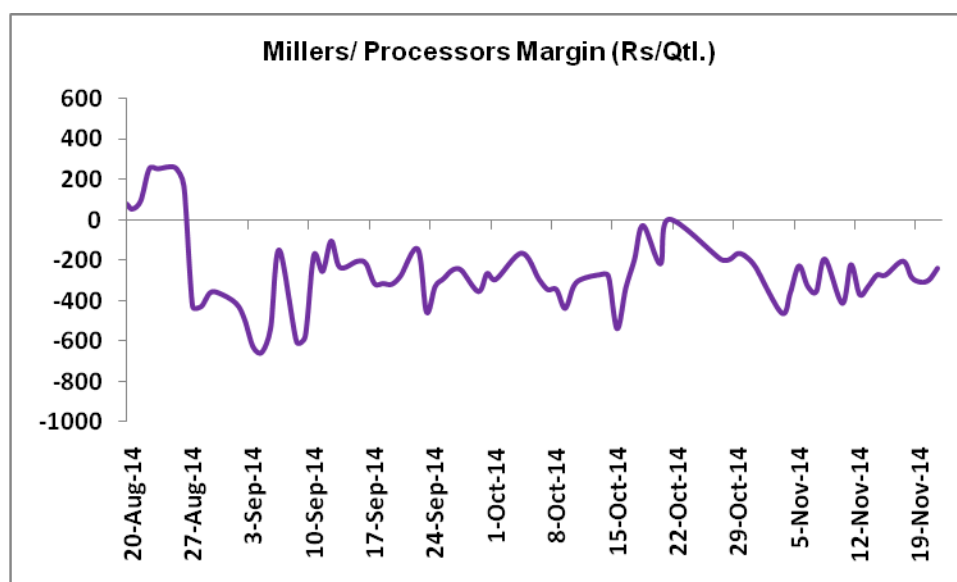


Price Scenario

In the first week of Nov, the average price of guar seed declined by 3% to Rs.4816/Qtl compared to prior week. Also, guar gum prices declined last week by 4% to Rs.13800/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 Nov 2014, average crush margin stood at Rs. -266/Quintal which were -298 per quintal last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	15th TO 21st Aug 14	8th TO 14th Aug 14	Change
Churi	Jodhpur	848	790	58
Korma	Jodhpur	1092	1088	4
Churi	Sri-Ganganagar	821	751	70
Korma	Sri-Ganganagar	1029	1038	-9
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	15th TO 21st Aug 14	8th TO 14th Aug 14	Change
Guargum Split		2254	2347	-93
Guargum Powder	200 Mesh 5000 CPS	2577	2672	-95
	200 Mesh 3500 CPS	2496	2590	-94
Guargum Meal	40%	223	220	3
	50%	293	287	6
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	15th TO 21st Aug 14	8th TO 14th Aug	

			14	
Rajasthan	Jodhpur (Loose)	4617	4783	-167
	Jodhpur(Delivery)	4817	4983	-167
	Sri-Ganganagar(Loose)	4676	4792	-116
	Sri-Ganganagar (Delivery)	4875	4983	-108
	Nagaur (Loose)	4602	4758	-157
	Alwar (loose)	4460	4633	-173
	Churu (Delivery)	4740	4933	-193
	Bikaner (Loose)	4625	4846	-221
	Bikaner (Delivery)	4829	5042	-213
	Khajuwala Bikaner (Loose)	4623	4794	-171
	Khajuwala Bikaner(Delivery)	4808	4986	-178
	Nokha(Loose)	4677	4833	-157
	Nokha (Delivery)	4845	5007	-162
	Hanumangarh (Loose)	4625	4783	-158
	Hanumangarh (Delivery)	4825	4983	-158
Haryana	Adampur (Loose)	4658	4775	-117
	Adampur (Delivery)	4858	4992	-133
	Sirsa (Loose)	4675	4808	-133
	Bhiwani (Delivery)	4833	4958	-125
	Dhabwali (Loose)	4678	4762	-83
	Dhabwali (Delivery)	4875	4958	-83
	Siwani (Loose)	4775	4925	-150
	Ellanabad (Loose)	4670	4807	-137
Gujarat	Deesa (Loose)	4575	4750	-175
	Patan (Loose)	4795	4976	-181
	Rajkot (Loose)	4566	4736	-170
Madhya pradesh	Dabra (Loose)	NA	4800	-
	Guar Gum			
Rajasthan	Jodhpur	13800	14317	-517
	Alwar	13740	14317	-577
Haryana	Sirsa	13833	14400	-567
	Bhiwani	13958	14333	-375
	Dhabwali	13717	14450	-733
	Ellanabad	13820	14567	-747

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	21-Nov-14	14-Nov-14	21-Oct-14	21-Nov-13
Rajasthan	Jodhpur (Loose)	4600	4600	5100	4900
	Jodhpur(Delivery)	4800	4800	5300	5200

	Sri-Ganganagar(Loose)	4650	4700	5000	5050
	Sri-Ganganagar (Delivery)	4850	4900	5200	5150
	Nagaur (Loose)	4600	4650	NA	4800
	Alwar (loose)	4600	4500	4800	5000
	Churu (Delivery)	4800	4800	5200	5500
	Bikaner (Loose)	4650	4700	5175	5000
	Bikaner (Delivery)	4850	4900	5300	5200
	Khajuwala Bikaner (Loose)	4620	4620	5150	4950
	Khajuwala Bikaner(Delivery)	4805	4805	5356	5148
	Nokha(Loose)	4680	4750	5200	5150
	Nokha (Delivery)	4848	4921	5387	5335
	Hanumangarh (Loose)	4650	4700	5170	5000
	Hanumangarh (Delivery)	4850	4900	5350	5200
Haryana	Adampur (Loose)	4700	4700	5200	5000
	Adampur (Delivery)	4900	4900	5400	5200
	Sirsa (Loose)	4650	4700	5200	5200
	Bhiwani (Delivery)	4850	4800	5350	5100
	Dhabwali (Loose)	4700	4700	5140	5030
	Dhabwali (Delivery)	4900	4900	5350	5450
	Siwani (Loose)	4775	4800	5300	5100
	Ellanabad (Loose)	4650	4690	5150	5200
Gujarat	Deesa (Loose)	4525	4655	NA	4885
	Patan (Loose)	5010	4950	NA	4875
	Rajkot (Loose)	4625	4650	5055	5300
Madhya pradesh	Dabra (Loose)	NA	NA	4500	5000
Guar Gum					
Rajasthan	Jodhpur	13800	13700	15800	14400
	Alwar	13800	14000	15500	15000
Haryana	Sirsa	13900	14000	15500	14000
	Bhiwani	13950	13750	15800	13800
	Dhabwali	13500	14300	15800	15100
	Ellanabad	13700	14400	15900	14500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		15th TO 21th Aug 14	8th TO 14th Aug 14	
Rajasthan	Jodhpur	4600	4400	200
	Sri-Ganganagar	27000	40000	-13000
	Nagaur	4150	6800	-2650
	Alwar	5000	6300	-1300
	Churu	5900	8000	-2100

	Bikaner	9000	7500	1500
	Khajuwala Bikaner	16000	16000	Unch
	Nokha	4500	3800	700
	Hanumangarh	2700	4000	-1300
Haryana	Adampur	14500	11100	3400
	Sirsa	9300	11000	-1700
	Bhiwani	11500	12500	-1000
	Dhabwali	2200	3500	-1300
	Siwani	14500	11200	3300
	Ellanabad	5500	7500	-2000
Gujarat	Deesa	9558	9641	-83
	Patan (Loose)	4382	2575	1807
	Rajkot	4908	4667	241
Madhya pradesh	Dabra	NA	400	-
Total Arrival		155198	170883	-15685



Commodity: Guar Seed 10MT
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2014

Guar Seed 10MT (Weekly Dec Contract Chart)



Technical Commentary:

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

Strategy: Sell

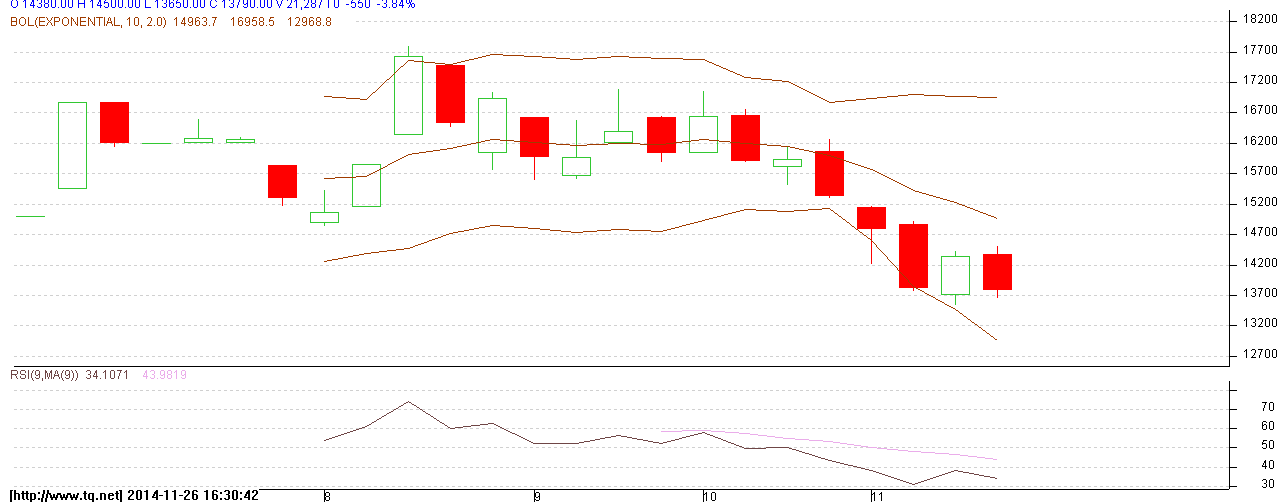
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Dec	4220	4450	5081	5314	5576
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Dec	Sell	Below 5100	4800	4750	5280

Commodity: Guar Gum
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2014

Guar Gum (Nov Weekly Chart)

GUARGUM1412(NCGUGZ4)2014/11/23 ~ Weekly B:13770.00 A:13790.00
 O:14380.00 H:14500.00 L:13650.00 C:13790.00 V:21,287 I:0 -550 -3.84%
 BOL(EXPONENTIAL, 10, 2.0) 14963.7 16958.5 12968.8



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	Dec	12800	13010	14340	16540	17026
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec	Sell	Below 14500	13400	13100	14800

Spot Market Outlook:



Fundamentally, prices of guar seed looks bearish for short term due to weak demand and panic selling by traders and farmers. However, considering lower production of guar seed for this marketing year, sentiments remained bullish for medium term.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2014 Indian Agribusiness Systems Pvt Ltd.